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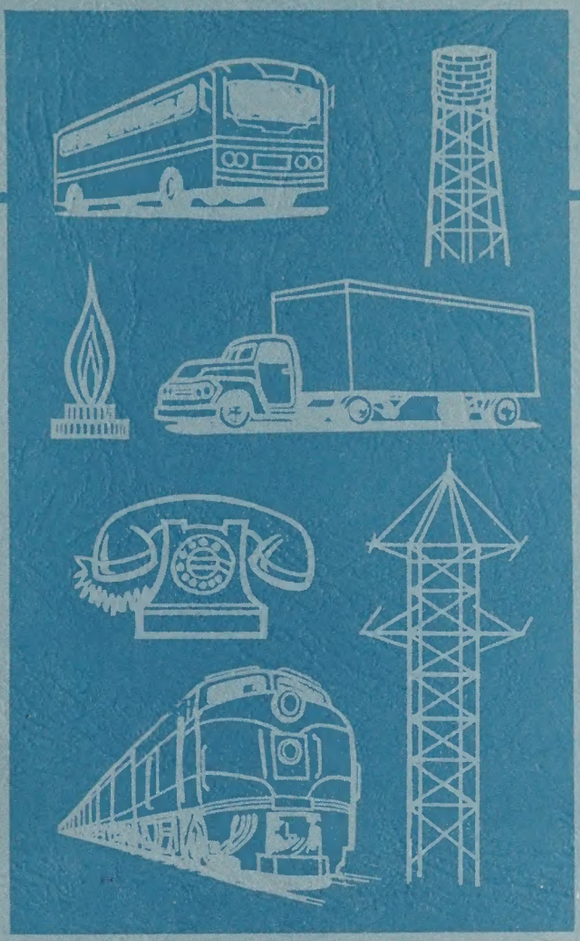


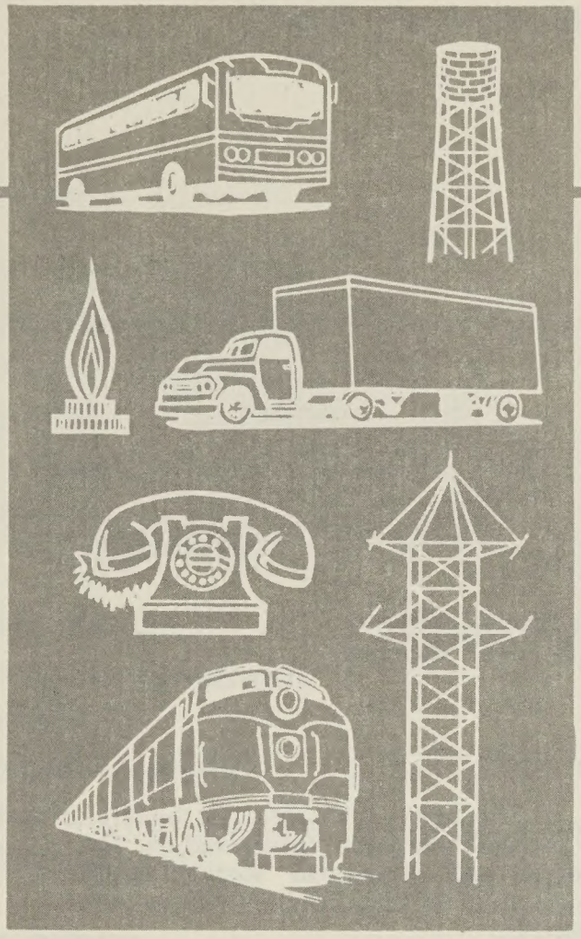
North Carolina Utilities Commission

SECOND STATISTICAL AND ANALYTICAL

Report

DATA THROUGH

1965



North Carolina Utilities Commission

SECOND STATISTICAL AND ANALYTICAL

Report

DATA THROUGH

1965

LETTER OF TRANSMITTAL

April 1, 1968

The Honorable Dan K. Moore
The Governor of North Carolina
Raleigh

Dear Governor Moore:

We hereby present for your consideration the **Second Statistical and Analytical Report** made pursuant to Section 17 of the Public Utilities Act of 1963 (G.S. 62-17).

Respectfully submitted,

Harry T. Westcott, Chairman
Thomas R. Eller, Jr., Commissioner
John W. McDevitt, Commissioner
M. Alexander Biggs, Jr., Commissioner
Clawson L. Williams, Jr., Commissioner

TABLE OF CONTENTS

Chapter		*Page*
	Letter of Transmittal	ii
I.	**Commission and Utilities in General**	1
	A. Present Commissioners and Staff	3
	B. Historical Sketch of Development	5
	C. Major Legislative Changes Effective in 1965	5
	D. Commission Budget and Expenditures—Comment	8
	E. General Impact of Regulation and Regulated Utilities in 1965—Comments	9
II.	**The Electric Power Industry**	13
	A. List of Companies and Addresses	15
	B. General Comment	16
	C. Customer Growth—Comment	16
	D. Annual Customer Usage Including Total Electric Homes	16
	E. Statistical Summary Data	21
III.	**The Natural Gas Industry**	25
	A. Brief History of the Natural Gas Industry	27
	B. Customer Growth—Comments	28
	C. Residential Bills, Usages and Cost per MCF Comparisons	29
	D. Plant Investment—Comments	32
	E. Statistical Summary Data	35
IV.	**The Telephone Industry**	37
	A. Brief Review of Telephone Industry	40
	B. Customer Growth	40
	C. Demands for Service	40
	D. Extended Area Service (EAS)	41
	E. Telephone Rates—Comments	41
	F. Source and Disposition of Revenues—Comment	46
	G. Plant Investment—Comments	47
	H. Statistical Summary Data—Comments	47
V.	**The Transportation Industry—Motor**	53
	A. General	55
	B. Motor Freight Carriers	55
	1. Commission Activities	55
	2. Statistical Summary Data—Comments	55

Chapter *Page*

C. Motor Passenger Carriers—Intercity and Intracity Carriers ... 65
1. General Comments ... 65
2. Intercity Motor Passenger Carriers—Comments ... 65
3. Intercity Motor Passenger Carriers—Statistical Summary Data—Comments ... 65
4. Intracity Motor Passenger Carriers—Comments ... 68
5. Intracity Motor Passenger Carriers—Statistical Summary Data ... 69

D. Commission Orders of Special Interest ... 69
1. Union Bus Station Order Docket No. B-275, Sub 6 ... 69
2. Transport Mobilization General Orders—Docket No. D-1 ... 69

VI. The Transportation Industry—Rail ... 73

A. General Comments ... 77

B. Statistical Summary Data ... 77
1. Financial—Revenues—Expenses—Operating Ratio ... 77
2. Tons of Freight Originating in North Carolina ... 77

C. Rail Crossings—Accidents and Injuries ... 77

D. Railroad Hearings of Interest ... 77

VII. Water and Sewer Companies ... 83

A. General Comments ... 85

B. Statistical Summary—Comments ... 85

VIII. Investigations and Inspections ... 87

IX. Securities, Audits and Annual Reports ... 91

A. Securities Issues—Comments ... 93

B. Audits—Comments ... 93

C. Annual Reports—Comments ... 93

LIST OF TABLES, CHARTS AND GRAPHS

Figure No.	*Title*	*Page No.*
1	North Carolina Utilities Commission—Organization Chart	4
2	Utilities Regulated and Reporting to the North Carolina Utilities Commission	6
3	Total Volume of Proceedings Brought Before the Commission During the Year Ended December 31, 1965	7
4	Impact of Regulated Utilities on the Economy of North Carolina	9
5	Impact of Regulated Utilities on the Economy of North Carolina—Selected Statistics about Employment, Wages and Certain Taxes Paid or Levied for the Years 1965 and 1964	10
6	Gross Operating Revenues of the Major Utilities in North Carolina	12
7	Gross Plant Allocated to North Carolina Companies—Electric—Gas—Telephone	12
8	Electric Companies—Customer Growth	17
9	Residential Electric Service—Class A Companies	17
10	State Average Monthly Bills—Residential Service	19
11	Electric Generating Capacity Owned and Purchased with Generating Capacity Located in North Carolina Shown Unit of Measure Kilowatt	20
12	Disposition of the Revenue Dollar—Electric Companies	21
13	Electric Companies—Class A—Energy Sales by Classes	21
14A	Electric Companies—Class A—Summary of Selected Income, Expense, Balance Sheet and Customer Statistics	22
14	Electric Companies—Class C and D—Summary of Selected Income, Expense, Balance Sheet and Customer Statistics	23
15	Gas Customers	27
16	Gas Companies—Customer Growth by Classes	29
17	Regulated and Municipal Gas Systems—Number of Customers, Total Revenue from Sales of Gas and Total MCF Sold	30
18	Gas Companies Energy Sales By Classes to Ultimate Consumers	32
19	Residential Natural Gas Customer Annual Usage and Cost Data (MCF)	33
20	Summary of Natural Gas Industrial Usage, Revenues and Customers	34
21	Disposition of the Revenue Dollar—Gas Companies	35
22	Gas Companies—Summary of Selected Income and Expenses, Balance Sheet and Customer Statistics	36
23	Telephone Companies Operating in North Carolina and Number of Total Telephones in Service	39
24	Telephones in Service with Per Cent Increase 1965 over 1964	40
25	Telephone Rates—Monthly Flat Rates by Calling Scope Groupings for One Party Business and Residential Service	42
26	Local Service Telephone Monthly Rates	44
27	North Carolina Intrastate Telephone Toll Rates	45

LIST OF TABLES, CHARTS AND GRAPHS—Cont.

Figure No.	*Title*	*Page No.*
28	Telephone Companies—Operating Revenues and Sources with Per Cent Increase 1965 over 1964	46
29	Disposition of the Revenue Dollar—Telephone Companies	46
30	Plant Investment per Telephone—Telephone Companies	47
31	Gross and Net Plant Allocated to North Carolina Operations—Telephone Companies	48
32	Telephone Companies, Classes A, B, C and D—Summary of Selected Income, Expense, Balance Sheet and Customer Statistics	50
33	Motor Freight Carriers—Class I & II—Vehicle Miles Operated in North Carolina	58
34	Motor Freight Carriers—Class I & II—Operating Revenues Allocated to North Carolina	58
35	Motor Freight Carriers—Classes I, II & III—Summary of Selected Income Items and Operational Statistics	56
35A	Motor Freight Carriers—Class I—Income, Expense, Operating Ratio and Net Income Data	59
35B	Motor Freight Carriers—Class II—Income, Expense, Operating Ratio and Net Income Data	62
36	Class I Intercity Carriers Operating Revenue	65
37	Motor Passenger Carriers—Intercity, Class I & II—Number of Revenue Passengers Carried (System-wide Data)	65
38	Motor Passenger Carriers—Intercity, Classes I, II & III—Summary of Selected Income Items and Operational Statistics	66
39	Motor Passenger Intracity Carriers Classes I, II & III—Total Operating Revenues, Expenses and Ratio	68
40	Motor Passenger Carriers—Intracity, Classes I, II & III—Summary of Selected Income and Operational Statistics	70
41	Intracity Carriers Franchised by Municipalities Fares Only Regulated by North Carolina Utilities Commission	74
42	Map of North Carolina Railroads	
43	Railroads Operating in North Carolina as of December 31, 1965	76
44	Railroad Classes I & II—Expenses and Revenues	78
45	Tons of Freight Originating in North Carolina	78
46	Railroads—Class I & II—Summary of Selected Income, Expense, Balance Sheet and Statistical Items	79
47	Water and Sewer Systems Certificates of Convenience and Necessity Granted during 1965	85
48	Water and Sewer Companies—Summary of Selected Financial and Statistical Data of 34 Water Companies	86
49	Summary of Investigation and Inspections	89
50	Financing and Accounting Matters—Security Issues—New Capital	92

I. The Commission And Utilities In General

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NORTH CAROLINA UTILITIES COMMISSION

Commissioners and Supervisory Personnel as of December 1, 1967

Commissioners

Harry T. Westcott, Chairman

Thomas R. Eller, Jr., Commissioner

John W. McDevitt, Commissioner

M. Alexander Biggs, Jr., Commissioner

Clawson L. Williams, Jr., Commissioner

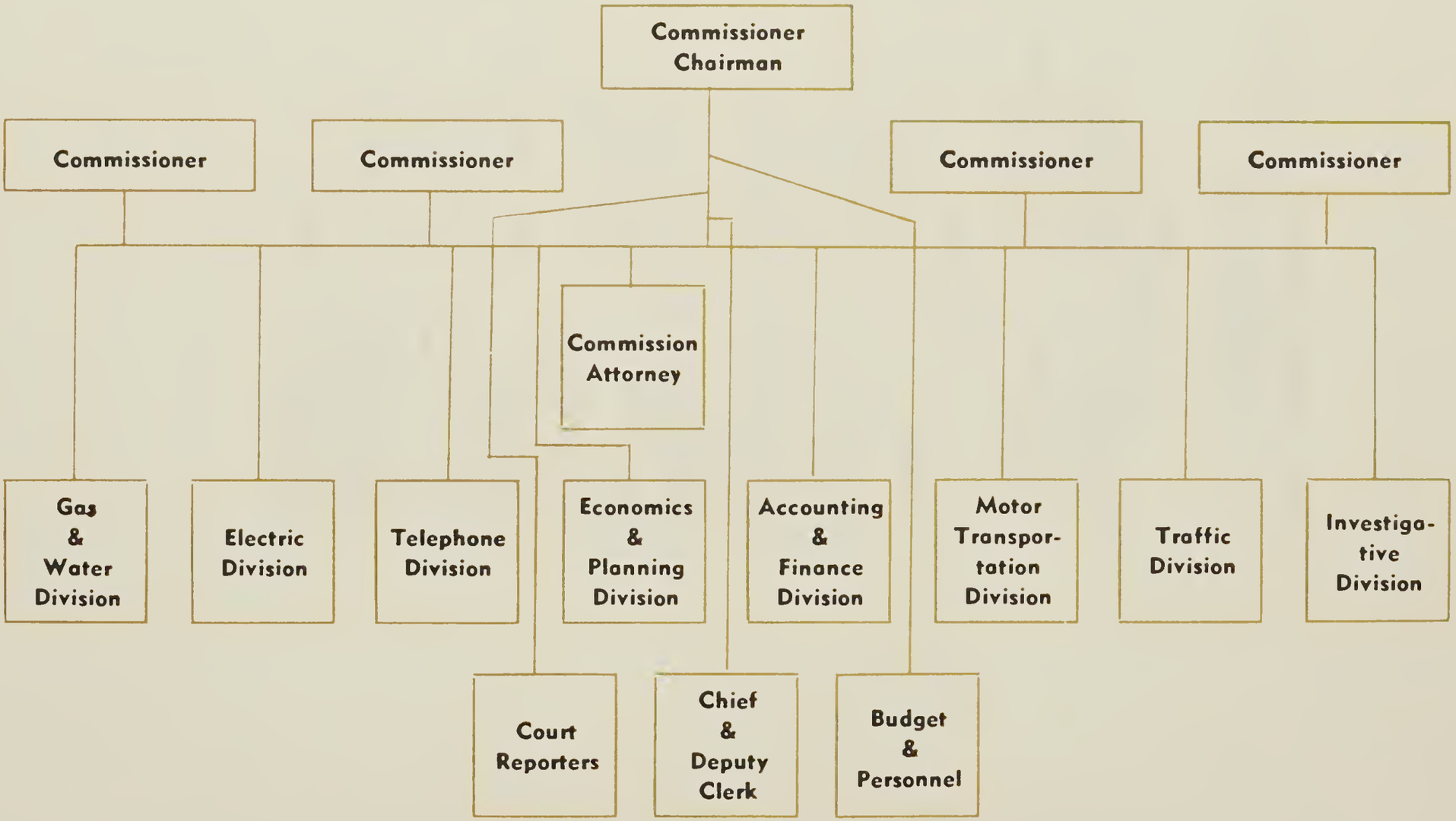
Staff Members

Chief Clerk	Mrs. Mary Laurens Richardson
Deputy Clerk	Mrs. Katherine M. Peele
Commission Attorney	Edward B. Hipp
Division of Accounts	Stewart J. Painter
Division of Budget and Personnel	Margaret E. Corbett
Division of Economics and Planning	Joseph W. Smith
Division of Electric Power	Leroy M. Keever Robert K. Koger
Division of Investigations and Inspection	John T. Armstrong
Division of Motor Transportation	Eugene A. Hughes, Jr.
Division of Natural Gas	Raymond J. Nery
Division of Telephones	Vern W. Chase Gene A. Clemmons
Division of Traffic and Rail Transportation	T. Grant Killian
Division of Water and Sewer Services	Raymond J. Nery

FIGURE 1

NORTH CAROLINA UTILITIES COMMISSION—ORGANIZATION CHART

December 31, 1965



I. THE COMMISSION AND UTILITIES IN GENERAL

Historical Sketch of Development

The present North Carolina Utilities Commission evolved from the Railroad Commission which was created in 1891 by the General Assembly and was given authority to determine charges made for services rendered by railroads, steamboat or canal companies, express and telegraph companies.

The major changes occurring in the North Carolina regulatory field since 1891 are in chronological order as follows:

1893—Telephone industry brought under regulation.

1897—Street railways brought under regulation.

1899—Railroad Commission abolished and the North Carolina Corporation Commission created. The North Carolina Corporation Commission was given general supervision of railroads, steamboat navigation and canal companies, express and telegraph and telephone companies, building and loan associations, banks, and sleeping car companies.

1900—The Corporation Commission's duties enlarged to encompass general supervision over tax listers and tax assessors.

1905—Supervision of building and loan associations transferred to State Insurance Commissioner.

1913—Electric light, power, water, and gas companies, excluding municipally owned, came under regulation.

1925—Capital Issues Law administered by the Corporation Commission. Motor vehicle common carriers of persons and property over regular or specified routes brought under regulation.

1931—Transfer of banking department to the Commissioner of Banks.

1933—The Corporation Commission abolished; the office of Utilities Commissioner created with two associate commissioners.

1937—Administration of Capital Issues Law transferred to Secretary of State.

1941—The North Carolina Utilities Commission established consisting of three full-time members with six-year terms.

1947—Motor vehicle common and contract carriers of property over irregular routes brought under regulation and regulation implemented.

1949—Bus Act of 1925 replaced and jurisdiction over common and contract carriers of passengers, regular and irregular routes, expanded.
Membership increased to five commissioners and a technical staff of engineers, accountants, and directors of transportation added.

1963—The utility laws of North Carolina updated and rewritten.

1965—Electric Membership Corporations brought under limited jurisdiction of the Utilities Commission relating to assignment of service areas, generation, filing rates, performance of service and promotional payments.

MAJOR LEGISLATIVE CHANGES EFFECTIVE IN 1965—ELECTRIC INDUSTRY

Limited Jurisdiction of Electric Membership Corporations

Service Area Assignments—The 1965 North Carolina General Assembly enacted legislation (62-110) which provided, among other things, protected service areas for electric suppliers (power companies and electric membership corporations) within 300 feet of their existing lines. The Utilities Commission is directed by this act to make assignments of areas that are more than 300 feet from the lines of the suppliers. Such assignments are to be made in accordance with public convenience and necessity, considering among other things, the location of existing lines and facilities of electric suppliers and the adequacy and dependability of their service but not considering rate differentials among electric suppliers.

New Generating Facilities—Certificate Required—This legislation further requires all utilities (including electric membership corporations) and other persons to obtain a certificate of public convenience and necessity from the Utilities Commission before beginning the construction of any new electric generating facility.

Filing of Rate, Service Contracts, etc.—Electric Co-ops—This legislation (62-138) requires all electric membership corporations operating within the State to file with the Commission, for information purposes, all rates, schedules of rates charges, service regulations and forms of service contracts, used or to be used within the State.

Efficient Service and Promotional Payments by Electric Co-ops under jurisdiction of Commission—This legislation (62-42(c) makes applicable to the electric membership corporations the statute which provides that the Utilities Commission can require efficient service, extensions of service and facilities, additions and improvements.

This legislation (62-140(c) makes applicable to electric membership corporations the provisions of the statute which prohibits, among other things, the making of promotional payments by a utility to secure business unless the plan for such payment is approved by the Utilities Commission.

Number of Companies Regulated

The number of companies whose services and rates are regulated by the Commission pursuant to the Public Utilities Act continues to increase as additional certificates and permits are granted. At December 31, 1965, 899 companies were regulated by the Commission, and another 82 operations, while not directly regulated by the Commission, were required to file reports with the Commission. While new companies were being certificated, others were deleted from the list of regulated utilities because of sales, mergers, abandonments, etc. In 1965, there were a total of 76 changes in certificates of motor freight carriers resulting in a net decrease of 4, from 619 to 615. One intracity carrier, Chapel Hill Transit Lines, Inc. of Durham ceased operations. Electric utilities and telephone utilities remained the same.* Outstanding water and sewer franchises were increased 10. One transportation broker was added. The net over-all gain in regulated companies was 4 for 1965 over 1964.

FIGURE NO. 2

UTILITIES REGULATED AND REPORTING TO THE NORTH CAROLINA UTILITIES COMMISSION

Type of Utility or Service	Number as of June 30, 1960	Number as of December 31, 1963	1964	1965
Electric	15	14	13	13
Gas	8	8	8	7
Motor Freight Carriers by Type:				
Common Carriers	502	521	521	516
Contract Carriers	57	75	77	73
Common and Contract Carriers	10	15	15	20
Railroad Motor Freight Carriers	5	6	6	6
Total Motor Freight Carriers	574	617	619	615
Motor Passenger Carriers by Type:				
Common Carriers	54	49	47	47
Contract Carriers	14	13	15	15
Leased Operations	7	6	6	6
Intracity Carriers	13	12	12	11
Total Motor Passenger Carriers	88	80	80	79
Motor Boat Common Carriers	1	1	2	2
Railroads	30	29	29	29
Transportation Brokers	1	2	3	4
Telephone	35	34	34	32
Telegraph	1	1	1	1
Water and Sewer	94	107	106	117
Total Utilities Under Regulation	847	893	895	899
Municipal Utility Systems required to File Annual Reports with North Carolina Utilities Commission:				
Electric	73	73	73	73
Gas	7	8	8	8
Telephone	1	1	1	1
Grand Total of Utilities Regulated or Required to File Reports	928	975	977	981

*Gas Companies decreased by 1 as a result of the merger of Tidewater Natural Gas Company with North Carolina Natural Gas Corporation.

FIGURE NO. 3

TOTAL VOLUME OF PROCEEDINGS BROUGHT BEFORE THE COMMISSION DURING THE CALENDAR YEAR ENDED 12-31-65

(Does not include Minor type customer complaints settled by Commissioners and Staff Personnel)

Division and Number of Proceedings

Item	Buses	Electric	Gas	Housing	Rail-Roads	Tele-phones	Trucks	Water & Sewer	Western Union	Railway Express	General & Misc.	Grand Totals
Total Proceedings Before Commission	48	36	22	2	79	258	233	61	5	13	7	764
Disposition of Proceedings:												
1. Formal hearings held with orders to follow	23	3	1	1	14	18	94	27	0	8	1	190
2. Conferences and informal hearings held with the following types of decisions resulting:												
a. Regular and letter type orders and rulings	16	30	21	1	22	232	86	25	5	2	6	446
b. Short form orders issued	4	0	0	0	33	0	12	0	0	0	0	49
3. Filings open as of 12-31-65:												
Rate Changes	0	0	0	0	0	0	5	0	0	1	0	6
Others	5	3	0	0	10	8	36	9	0	2	0	73
4. Total Proceedings accounted for	48	36	22	2	79	258	233	61	5	13	7	764
Per cent of total Proceedings	6.3	4.7	2.9	.3	10.3	33.8	30.5	8.0	.7	1.7	.8	100%
Number of Orders Appealed	1	0	0	0	2	3	2	1	0	0	0	9

Commission Case Load; Formal and Informal Hearings

In addition to the multiplicity of decisions made informally by the Commission in conferences with its staff and interested parties and the many small complaints and inquiries disposed of daily by individual Commissioners and individual staff heads through correspondence, by telephone, and personal discussion with utility customers, executives, and various representatives, organizations, associations, and persons, the Commission maintains a full docket of formal and semi-formal hearings and conferences.

During 1965, there were 764 docketed proceedings. Of these, 190 were resolved through formal hearings, with the Commission, either in full or by hearing divisions. Eight (8) of these were assigned by the Commission to hearing examiners. Motor freight transportation matters accounted for 49.5 per cent or 94, of the total cases formally heard and decided. Water and sewer were second in volume of formal hearings with 14.2 per cent, or 27 cases heard and decided formally. However, the formal hearings consuming the greatest amount of time centered around the electric and telephone utilities. Based upon cases transcribed, the average number of pages of transcribed testimony required for each formal hearing is approximately one hundred (100). Some 446 matters before the Commission, while not resulting in formal hearings, were decided by formal order. More than half of these, or 232, involved telephone utilities. Forty-nine (49) orders originated in the Division of Traffic and Rail Transportation on direction of the Commission and affected railroads and trucking companies.

SUMMARY OF THE SOURCES AND EXPENDITURES OF FUNDS ADMINISTERED BY THE COMMISSION THROUGH ITS DIVISION OF BUDGET AND PERSONNEL

Fiscal Year Ended June 30, 1965

Sources	Amount
General Fund Appropriation	$ 359,511
Other Receipts:	
State Highway Commission	155,986
Fees Collected	27,210
Sale of Equipment	504
Sale of Publications	411
Total Funds from All Sources	$ 543,622
Expenditures by Objects:	
Salaries and Wages	$ 481,169
Supplies and Materials	3,936
Postage, Telephone and Telegraph	5,569
Travel Expense	15,874
Printing and Binding	4,077
Motor Vehicle Operation	7,049
Repairs and Alterations	738
General Expense	3,031
Insurance and Bonding	575
Equipment	4,514
Purchase of Cars	3,390
Contribution to Retirement System	4,401
Contribution to Social Security	3,506
Transfer to Fiscal Year 1965-66 for Deferred Obligations	5,793
Total	$ 543,622

The North Carolina Utilities Commission is supported primarily by appropriations from the General Fund and the State Highway Commission. Monthly reports are made to the budget division and auditor's office which reflect the status of the finances of the Commission.

GENERAL IMPACT OF REGULATION AND REGULATED UTILITIES IN 1965

Economic Effects. Employment in 1965 by the companies under regulation in North Carolina was on average 59,276 with a payroll of $364 million and represented 5.4% of total state insured worker employment. They paid $9 million in total corporate state income taxes, or about 11.2% of the state total of this category of taxes collected in the state for the fiscal year 1965-66. These same companies paid $27 million in franchise (gross receipts) taxes into the General Fund of the State, for about 72.3 per cent of all franchise taxes paid into the general fund. They also paid 27.9 per cent, or $7 million, of all bus, truck, and franchise taxes paid into the state's highway fund. The regulated utility industry also paid $20 million, or 8.5 per cent, of the total of $237 million paid in local ad valorem and personal property taxes for the entire state. (See Figures No. 4 & 5 for details.)

During 1965, the electric, gas and telephone companies invested a total of $210 million in new capital in North Carolina and represented a total capital investment at year's end of over $2 billion. (See Figure No. 7). The average annual wage paid by all the regulated companies was $6,142 as compared to the state average of $4,367 for workers covered under Employment Security.

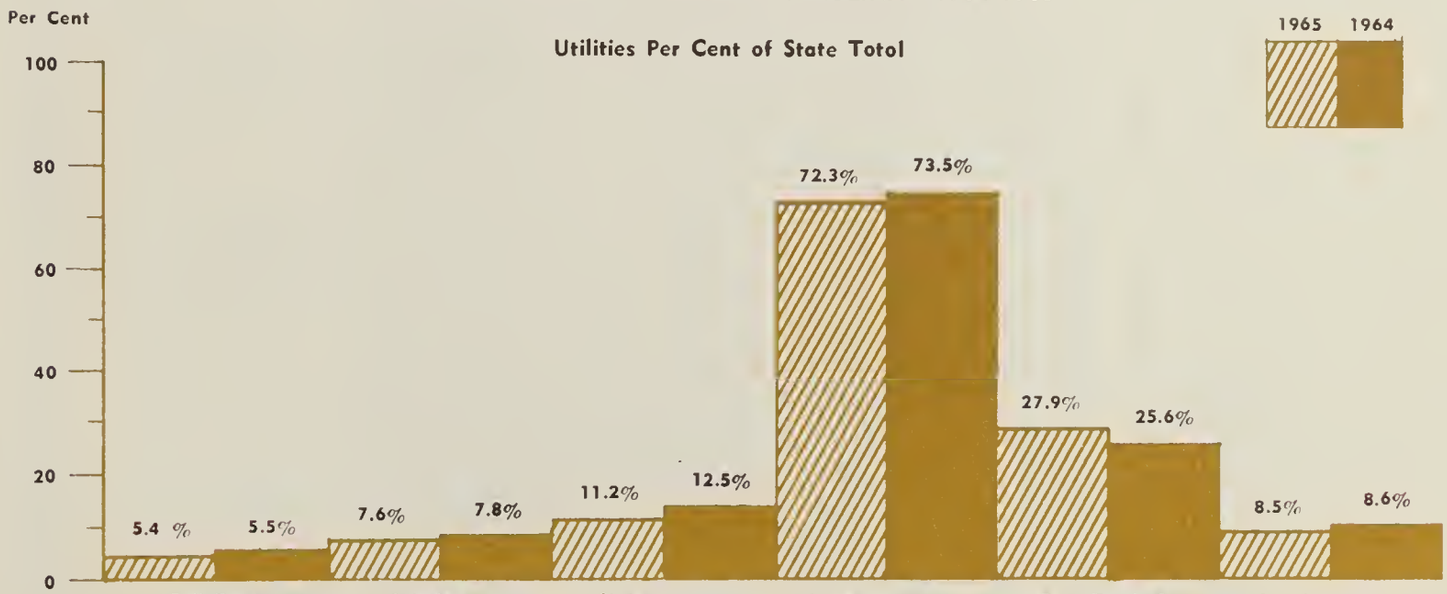
Some 1,270,959 electric, gas and water and sewer customers were served, with an additional 1,588,374 telephones in service at year end. While no comparable figures are available for motor freight and passenger transportation companies (including intracity bus companies over which the Commission exercises rate jurisdiction only) they traveled a total of 257 million miles within the state during 1965 and transported 40 million passengers. The railroads hauled about 17½ million tons of freight which originated in North Carolina. The combined gross income for all regulated companies in North Carolina for 1965 was $848 million. All of this income was paid in the form of regulated rates pursuant to published tariffs. (See Figure No. 6.)

The great majority of regulated North Carolina utilities are expanding and profitable, while consumers' rates generally are decreasing or stabilizing. The tremendous impact of the activities and operations of regulated utilities upon the state's economy and the general supply of common necessities seems so obvious as to require very little elaboration.

Customer Effects. Customer rate reductions made in 1965 directly or through the elimination of surcharges estimated to be $5,392,402 were negotiated and approved during 1964. About 99 per cent of these reductions are attributable to reduced federal income tax rates, the North Carolina Utilities Commission was among the first of the state commissions to announce that it would insist that the benefits of reduced corporate income tax liabilities be passed on to customers. Telephone rate increases totaling $195,434 became effective in 1965. These increases affected customers of the Lee Telephone Company and Morris Telephone Company. The approved increase for Lee Telephone Company results from an appeal and remand to the Commission by the State Supreme Court. The increase allowed Morris Telephone Company resulted from substantial plant investment required to upgrade the quantity and quality of its service.

FIGURE 4

IMPACT OF REGULATED UTILITIES
ON THE ECONOMY OF NORTH CAROLINA—1964-1965



		Full Time Employees	Salaries and Wages	State Income Taxes	State Franchise Taxes	Bus, Truck & Franchise Fees	Local Property Taxes
1965	Utilities	59,276	$364,052,179	$9,761,101	$29,937,924	$7,131,823	$20,152,278
	State Totals	1,093,039	$4,773,732,131	$87,221,448	$41,383,066	$25,571,715	$236,941,505

FIGURE NO. 5

Impact of Regulated Utilities on the Economy of North Carolina
Selected Statistics about Employment, Wages and Certain Taxes
Paid or Levied for the Years 1965 and 1964

Utility Group	Number of Full time Employees (N. C. Portion Only) 1965	1964	Salaries and Wages Paid to N. C. Employees 1965	1964	Average Annual Compensation 1965	1964
Electric	7,875I	7,462I	$ 49,359,456I	$ 46,296,384I	$ 6,268I	$ 6,204I
Gas	1,410	1,328	7,750,567	6,973,137	5,497	5,250
Telephone	12,324	11,563	68,423,000	62,613,645	5,552	5,415
Motor Freight Carriers	26,883H	25,072H	169,335,824H	150,116,460H	6,299	5,987
Motor Passenger Carriers	2,651H	2,619H	13,827,606H	12,972,080H	5,216	4,953
Railroads	7,802K	8,370K	53,604,342K	52,323,483K	6,871	6,251
Western Union	331	274	1,751,384	1,411,000	5,291	5,145
Total Utilities	59,276	56,688	$ 364,052,179	$ 332,706,189	$ 6,142	$ 5,869
Totals for State	1,093,039F	1,026,708F	$4,773,732,131F	$4,280,588,046F	$ 4,367F	$ 4,169F
Utilities Percent of State Total	5.4%	5.5%	7.6%	7.8%	140.6%	140.8%

Utility Group	State Income Taxes*		State Franchise Taxes (Gross Receipts or Privilege Taxes)		Bus, Truck and Franchise Fees		Local Property Taxes	
	1965	1964	1965	1964	1965	1964	1965	1964
Electric	$ 4,997,401I	$ 4,643,170I	$16,588,775I	$15,551,009I	$ -0-	$ -0-	$ 8,494,964I	$ 8,191,796I
Gas	337,285	419,086	3,060,120	2,868,058	-0-	-0-	1,430,202	1,179,818
Telephone	3,376,780	3,243,988	9,151,524	8,402,736	-0-	-0-	5,826,558	5,282,222
Motor Freight Carriers	433,648B	615,325J	-0-	-0-	6,843,417C	5,977,852C	816,802	682,401
Motor Passenger Carriers	169,362G	153,831J	-0-	-0-	288,406C	277,334C	-0-	-0-
Railroads	446,625B	546,000B	1,113,203A	1,076,205L	-0-	-0-	3,550,944B	3,532,996
Western Union	-0-	-0-	24,302A	22,578A	-0-	-0-	32,808D	28,939D
Total Utilities	$ 9,761,101	$ 9,621,400	$29,937,924	$27,920,586	$ 7,131,823	$ 6,255,186	$ 20,152,278	$ 18,898,172
Totals for State	$ 87,221,448A	$76,915,701A	$41,383,066A	$37,976,467A	$25,571,715C	$ 24,462,835A	$236,941,505E	$220,010,140E
Utilities Percent of State Total	11.2%	12.5%	72.3%	73.5%	27.9%	25.6%	8.5%	8.6%

* State Totals For Domestic and Foreign Corporation Only.

A Statement of the Revenues of the General Fund for the fiscal years.
1964-1965 and 1965-66 Ended June 30, 1965 and 1966. From Department of Administration—Budget Division.

B From Utility reports: 54 class I—62 class II—54 class III Motor Carriers.
All class I & II Railroads operating within the State.

C From Motor Vehicle Department.

D Computed from Tables 109 & 107—Statistics of Taxation—1966, North Carolina Research Tax Department. 1964 Data computed from tables 120 and 111—Statistics of Taxation—1964 (Fiscal Year 1964-1965).

E Table 106—Statistics of Taxation—(Fy 1964-65) 1966 Edition—North Carolina Research Tax Department. 1964 Data Table 110—Statistics of Taxation—1964 (Fiscal year 1964-1965).

F Table 1, page XV, "Insured Employment and Wage Payments—1965," by Employment Security Commission of North Carolina, August 1966. 1964—Total insured employment & wages equals about 74.7% of total (1,374,441) State nonagricultural employment.

G Tables 59 & 61—Statistics of Taxation—1966 Edition—North Carolina Research Tax Department.

H Table 1, pages XVIII & XIX, "Insured Employment and Wage Payments—1966," by Employment Security Commission of North Carolina, August 1966. 1964 data came from same source—'64 ed.

I Class A Only.

J Estimate based on Total Net Collections for the Fiscal year Ended June 30, 1965 (Statistics of Taxation, 1964, Tables 33, 63 and 65)

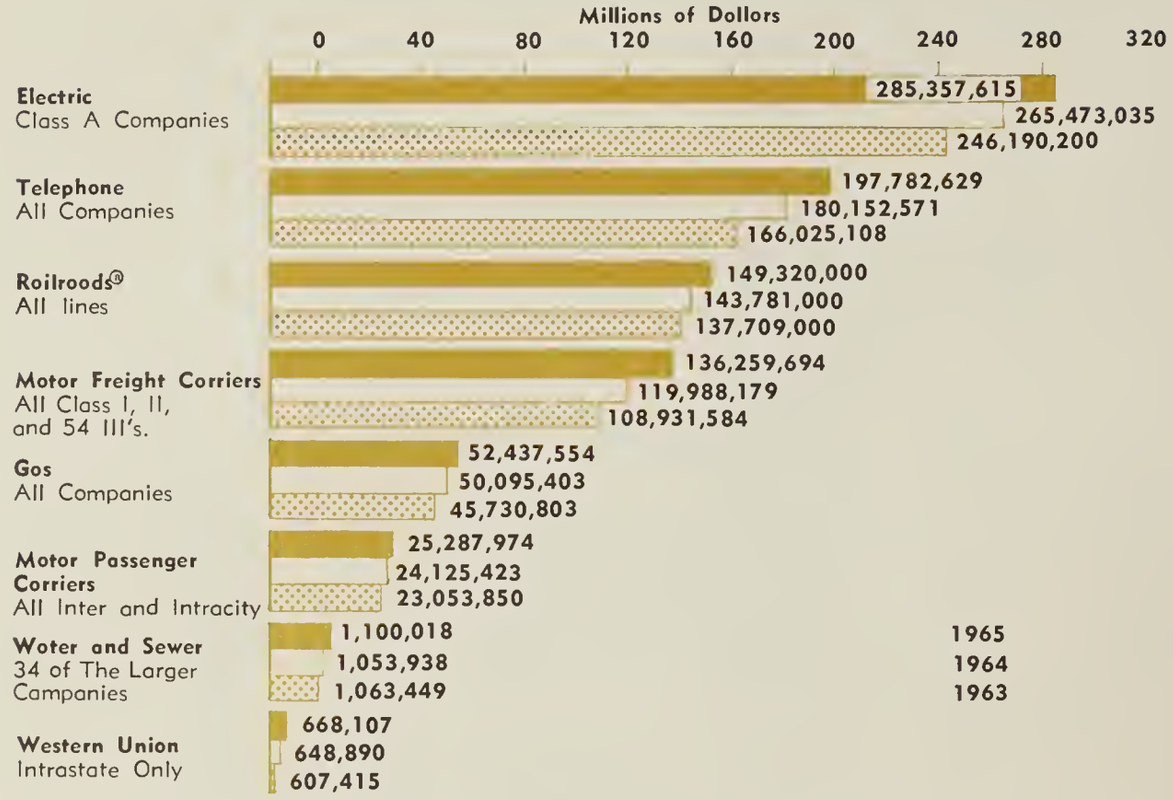
K Class I Only.

L Statement of the Revenues of the General Fund and State Highway Funds for the Fiscal year 1964-65 ended June 30, 1965. By N. C. Research Tax Department.

Note: 1964 Figures restated in some instances for comparative purposes.

FIGURE 6

GROSS OPERATING REVENUES OF THE MAJOR UTILITIES IN NORTH CAROLINA
For the Calendar Yeor 1963, 1964 and 1965

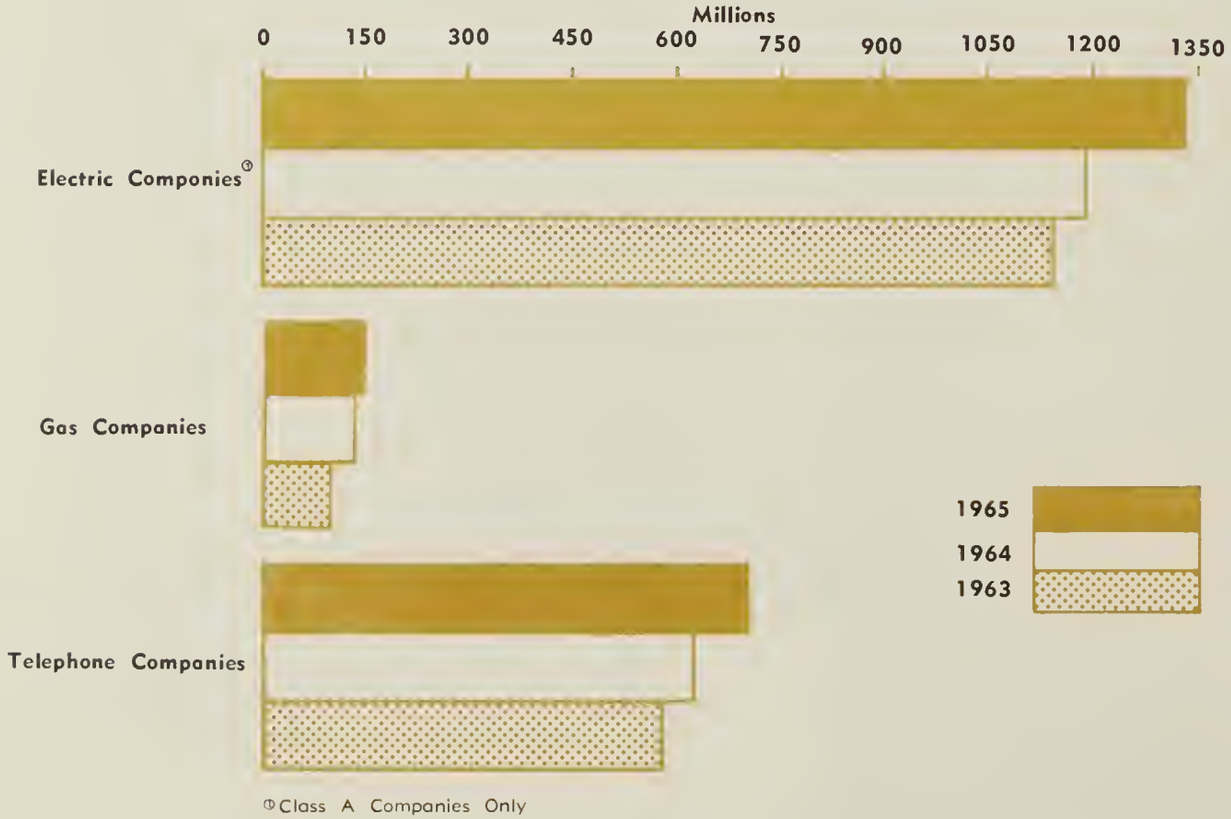


① 1963 and 1964 totals restated to reflect division of Carolina and Northwestern revenues between N. C. and total system.

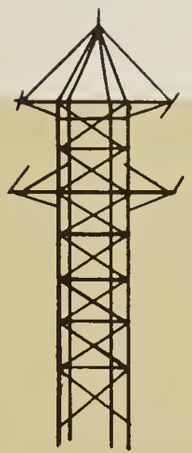
FIGURE 7

GROSS PLANT ALLOCATED TO NORTH CAROLINA COMPANIES
ELECTRIC — GAS — TELEPHONE

For the Years 1963, 1964 and 1965



① Class A Companies Only



II. The Electric Power Industry

POWER COMPANIES—CLASS A

December 31, 1965

Officers

CAROLINA POWER AND LIGHT COMPANY, RALEIGH, NORTH CAROLINA

Organized: April 6, 1926.

President: Shearon Harris, Raleigh, North Carolina.

Secretary: R. S. Mallison, Raleigh, North Carolina.

Service (For North Carolina): Electric.

States Served: North Carolina and South Carolina.

DUKE POWER COMPANY, CHARLOTTE, NORTH CAROLINA

Organized: May 1, 1917.

President: W. B. McGuire, Charlotte, North Carolina.

Secretary: J. D. Hicks, Charlotte, North Carolina.

Service: (For North Carolina): Electric, Water, Bus.

States Served: North Carolina and South Carolina.

NANTAHALA POWER AND LIGHT COMPANY, FRANKLIN, NORTH CAROLINA

Organized: July 23, 1929.

President: John M. Archer, Jr.

Secretary: W. W. Sloan, Franklin, North Carolina

Service: Electric.

State Served: North Carolina.

VIRGINIA ELECTRIC AND POWER COMPANY, RICHMOND, VIRGINIA

Organized: June 29, 1909.

President: A. H. McDowell, Jr., Richmond, Virginia.

Vice-President and North Carolina Manager: A. L. Jameson, Williamston, North Carolina.

Secretary: Ralph Kilday, Richmond, Virginia.

Service (For North Carolina): Electric.

States Served: North Carolina, Virginia, West Virginia.

POWER COMPANIES—Class C & D

Towns Served

Crisp Power Company, Inc.	(Edgecombe County) Rural
Davenport Power & Light Company	(Edgecombe-Wilson Counties) Rural
Domestic Electric Service, Inc.	(Edgecombe County) Rural
Laurel Hill Electric Company	Laurel Hill, N. C.
Pamlico Power & Light Co., Inc.	Engelhard, N. C., and vicinity
Pinehurst, Inc.	Pinehurst, N. C.
Roselle Lighting Company	(Rowan County) Rural
Rocky Mount Mills	(Nash County) Rural
Washington Mills Company	Mayodan, N. C.

MUNICIPAL ELECTRIC SYSTEMS AND SOURCE OF POWER

Municipality	Source of Power
Albemarle	Duke Power Company
Apex	Carolina Power & Light Company
Ayden	Greenville
Belhaven	Virginia Electric and Power Company
Benson	Carolina Power & Light Company
Black Creek	Wilson
Bostic	Duke Power Company Southeastern Power Administration
Cherryville	Duke Power Company
Clayton	Carolina Power & Light Company
Concord	Duke Power Company
Cornelius	Duke Power Company
Dallas	Duke Power Company
Davidson	Duke Power Company
Drexel	Duke Power Company
Edenton	Virginia Electric and Power Company
Elizabeth City	Virginia Electric and Power Company
Elm City	Wilson
Enfield	Virginia Electric and Power Company
Farmville	Carolina Power & Light Company
Fayetteville	Carolina Power & Light Company
Forest City	Duke Power Company
Fountain	Farmville
Fremont	Carolina Power & Light Company
Gastonia	Duke Power Company
Granite Falls	Duke Power Company
Greenville	Virginia Electric and Power Company
Hamilton	Virginia Electric and Power Company
Hertford	Virginia Electric and Power Company
High Point	Duke Power Company
Highlands	Nantahala Power and Light Company
Hobgood	Scotland Neck
Hookerton	Carolina Power & Light Company
Huntersville	Duke Power Company
Kings Mountain	Duke Power Company

Kinston	Carolina Power & Light Company
LaGrange	Carolina Power & Light Company
Landis	Duke Power Company
Laurinburg	Carolina Power & Light Company
Lexington	Duke Power Company
Lincolnton	Duke Power Company
Louisburg	Carolina Power & Light Company
Lucama	Wilson
Lumberton	Carolina Power & Light Company
Macclesfield	Wilson
Maiden	Duke Power Company
Monroe	Duke Power Company
Morganton	Duke Power Company
Murphy	TVA
New Bern	Carolina Power & Light Company
Newton	Duke Power Company
Oak City	Edgecombe Membership Corporation
Pikeville	Carolina Power & Light Company
Pine Tops	Wilson
Pineville	Duke Power Company
Red Springs	Carolina Power & Light Company
Robersonville	Virginia Electric and Power Company
Rocky Mount	Carolina Power & Light Company
Scotland Neck	Virginia Electric and Power Company
Selma	Carolina Power & Light Company
Sharpsburg	Rocky Mount
Shelby	Duke Power Company
Smithfield	Carolina Power & Light Company
Southport	Carolina Power & Light Company
Stantonsburg	Wilson
Statesville	Duke Power Company
Tarboro	Virginia Electric and Power Company
Wake Forest	Carolina Power & Light Company
Walstonburg	Wilson
Washington	Virginia Electric and Power Company
Waynesville	Carolina Power & Light Company
Wilson	Carolina Power & Light Company
Windsor	Virginia Electric and Power Company
Winterville	Greenville

II. THE ELECTRIC POWER INDUSTRY

There are four major electric utilities (i.e., companies with $2,500,000 or more annual gross operating revenues) and nine small electric companies in North Carolina under the regulation of the North Carolina Utilities Commission. The four major or Class A companies serve over 98 per cent of the customers receiving regulated service in the state either directly or as a supplier of electric energy on a wholesale basis to fifty-eight (58) cities and towns in addition to twenty-seven (27) cooperatives and four independently-owned distribution companies throughout the state served by the electric utilities under Commission jurisdiction.

Of the four major companies, only Nantahala Power and Light Company of Franklin, North Carolina, operates solely within North Carolina, and although it qualifies as a Class A size utility because of annual operating revenue in excess of 2.5 million dollars, its service area and number of customers are small compared to the other three Class A companies. Over fifty per cent of Nantahala's revenue and about seventy per cent of its kilowatt-hour sales come from its commercial and industrial customers. ALCOA has an aluminum operation at Alcoa, Tennessee, which utilizes all of Nantahala's energy generating potential not required for its North Carolina customers. All of Nantahala's electric generation of power is by hydro-electric facilities. The geographical location and the current makeup of its customers place Nantahala in a different position from the other major power companies operating in the state, especially in the areas of providing generating capacity and meeting competition of other sources of energy for residential heating and commercial and industrial uses.

CUSTOMER GROWTH

The four major electric utilities experienced a customer growth rate of 3.0 per cent for 1965 over 1964. The net customer increase was 30,587 for a total of 1,065,650. The minor electric companies increased their customers at a rate of 1.5 per cent, for a total of 8,134 customers receiving service during 1965. Thus the electric utilities regulated by the North Carolina Utilities Commission served an average of 1,073,784 customers during 1965.

ANNUAL CUSTOMER USAGE

At the same time the rate of connections of new customers was increasing in 1965 by about 3.0 per cent over 1964, the annual usage per existing customer was increasing by 4.5 per cent, or from about 6,411 in 1964 to about 6,697 kwh in 1965. This compares to about 4,395 kwh nationally per residential customer for 1965. (See Figure No. 9.)

A study of residential electric customers for North Carolina cities of 50,000 or more in population for the period 1960-1965 reveals that these North Carolina customers used a far greater number of kilowatt hours per customer annually than customers

FIGURE 8

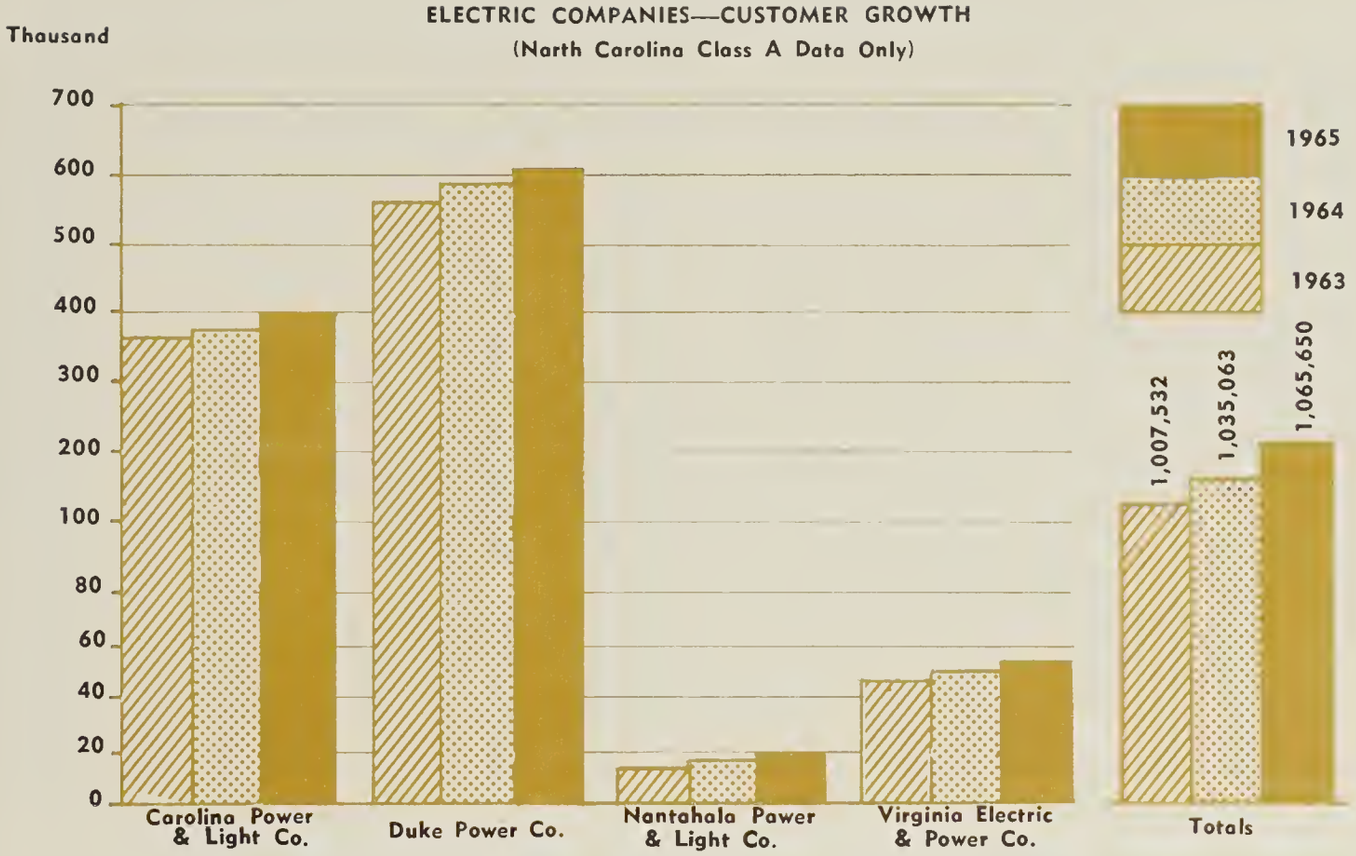
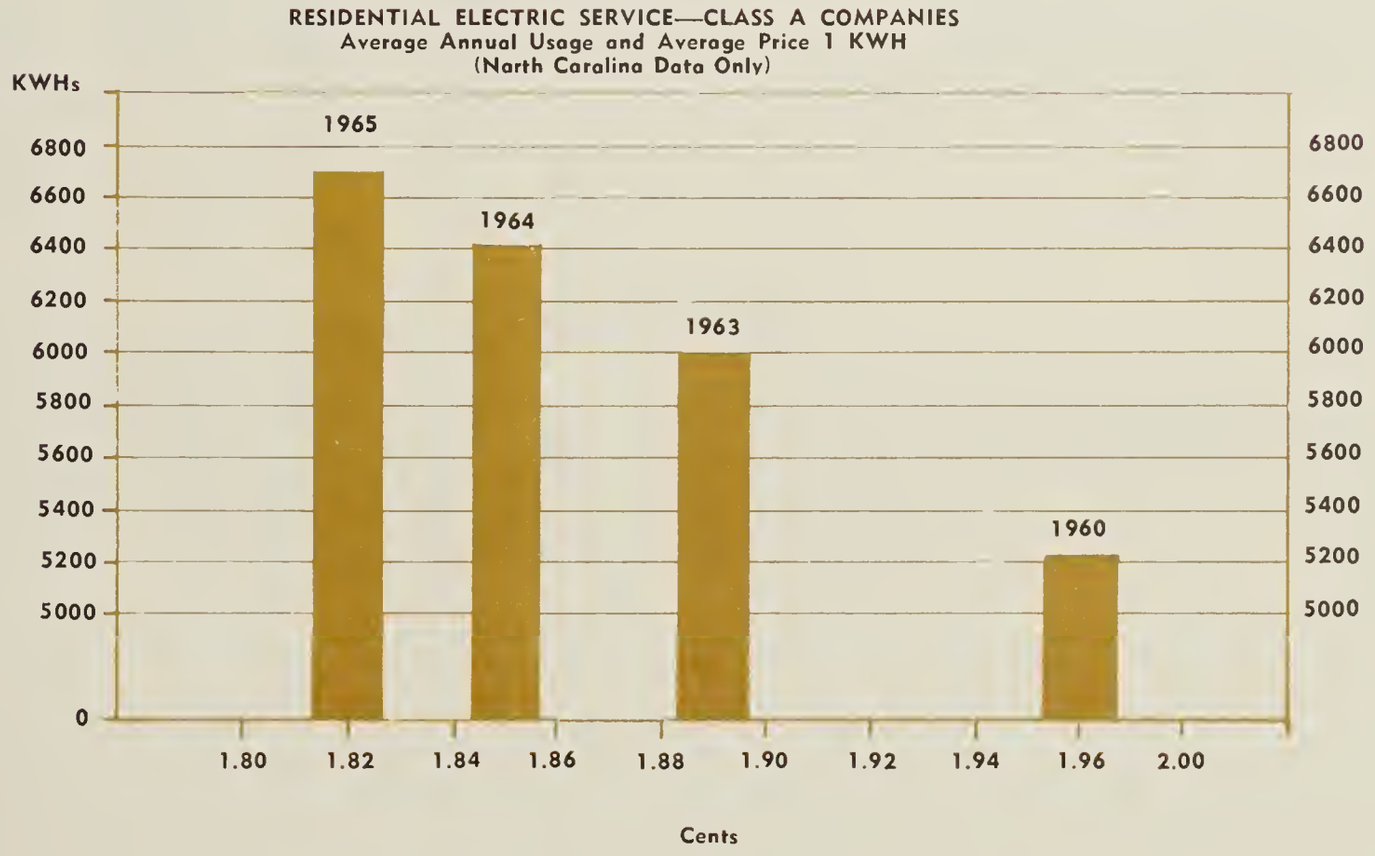


FIGURE 9



in cities of similar size over the United States and exceeded the average per customer residential consumption throughout the country for the same periods.

Following is a table reflecting the results of this usage study:

AVERAGE ANNUAL RESIDENTIAL CUSTOMER KWH USAGE

(Class A & B Privately Owned Utilities Only)

	1960	1965
N. C.—Statewide—Average	5,192	6,697
N. C.—Charlotte & Raleigh (a)	6,039	7,272
S. C.—Columbia (b)	4,836	6,121
U. S. Average	3,464	4,618
N. C. (Charlotte & Raleigh) higher than:		
S. C.—Columbia	24.9%	18.8%
U. S. Average	74.3%	57.5%

(a) Charlotte—served by Duke Power Company; Raleigh—served by Carolina Power & Light Company. (Average of the two used.)

(b) Columbia—served by South Carolina Electric and Gas Company.

The average monthly usage of electricity (558 kwh) by North Carolina residential customers of Class A companies, who constitute about 99.2 per cent of the total of regular electric utility customers in the state is one of the highest in the nation. It is generally conceded that there is a direct relation between the greater residential usage in North Carolina compared to national usage and the average charge per kilowatt hour in North Carolina, which at 1.82 cents is 23.8 per cent less than the national average of 2.39* cents per residential kilowatt hour of usage.

The phenomenal growth of total electric homes in North Carolina has contributed greatly to the high average residential kwh usage as indicated above. The regulated power companies have very successfully promoted electric heating and air conditioning as well as an expansion of other electrical appliances. The table below reflects the growth by companies of the total electric homes and the average annual kwh usage.

*FPC-S178 "Statistics of Electric Utilities in the United States, 1965, Privately Owned," Table 16, p. xxx

TOTAL ELECTRIC HOMES
Class A Companies
1960-1965
N. C. Data Only

	1965	1964	1963	1960
Carolina Power & Light Co.	13,014	8,904	5,663	928
Duke Power Company	25,763	19,258	13,979	3,279
Nantahala Power & Light Company	NA	NA	NA	NA
Virginia Electric & Power Company	999	698	479	150
Total	39,776	27,860	20,121	4,357
Per cent Increase	42.7%	38.4%	361.8%	

TOTAL ELECTRIC HOME
Average Annual Kwh Usage

	1965	1964	
Carolina Power & Light Company	18,959	18,603	
Duke Power Company	19,171	19,252	
Virginia Electric and Power Company	21,175	21,175	Estimated

FIGURE 10

STATE AVERAGE MONTHLY BILLS—RESIDENTIAL SERVICE

(Cities of 2,500 Population and Over) Data as of January 1 of each year listed

State	250 Kwh Assumed Consumption					500 Kwh Assumed Consumption				750 Kwh Assumed Consumption		
	1965	1964	1963	1960	1955	1965	1964	1963	1962	1965	1964	1963
North Carolina	$6.66	$6.69	$6.74	$6.76	$6.79	$ 9.53	$ 9.63	$ 9.63	$ 9.63	$12.92	$13.08	$13.10
Alabama	5.32	5.37	5.37	5.42	5.52	8.25	8.33	8.34	8.35	10.87	11.00	11.01
California	6.62	6.86	6.93	6.85	6.04	9.39	9.64	9.74	9.74	12.43	12.72	12.86
Florida	7.67	7.95	7.97	8.03	8.07	11.78	12.05	12.09	12.22	15.90	16.17	16.21
Indiana	7.55	7.54	7.56	7.23	7.03	10.36	10.26	10.27	10.28	14.09	14.26	14.31
Maine	8.94	8.91	8.99	8.82	8.35	12.23	12.17	12.31	12.24	16.53	16.45	17.47
Michigan	7.42	7.42	7.42	7.44	7.32	8.12	10.74	9.97	9.97	13.72	14.51	14.52
Ohio	7.22	7.23	7.26	7.12	6.86	10.63	10.64	10.65	10.61	14.94	14.96	14.99
South Carolina	6.73	6.75	6.75	6.77	6.76	10.04	10.12	10.09	10.08	13.39	13.49	13.47
Virginia	7.34	7.62	7.62	7.65	7.66	10.11	10.46	10.15	10.19	13.61	13.97	13.83
United States	7.38	7.43	7.48	7.44	7.18	10.41	10.61	10.64	10.66	14.34	14.51	14.65
North Carolina Rank Low to High—50 states and D. C. Except 1955-48 states	10th Lowest	10th Lowest	11th Lowest	10th Lowest	16th Lowest	15th Lowest	13th Lowest	13th Lowest	13th Lowest	12th Lowest	12th Lowest	11th Lowest
N. C. Lower than U. S. Average—Per cent	9.76%	9.96%				8.45%	9.23%			9.90%	9.86%	

Source: "Typical Electric Bills" for applicable years by Federal Power Commission.

ELECTRIC BILLS: COMPARISONS OF RESIDENTIAL STATE MONTHLY AVERAGES

Comparing average monthly bills as of January 1, 1965, in North Carolina to the nine selected states of Alabama, California, Florida, Indiana, Maine, Michigan, Ohio, South Carolina, and Virginia, the the state ranks 3rd lowest at the 250 Kwh and 2nd lowest at the 500 and 750 Kwh consumption levels assumed.

The North Carolina electric utilities have company-wide rates for the respective residential, commercial, and industrial classes of customers. A customer's bill in a particular class of customers for a particular utility will not vary between the small communities and the large where the volume of usage, load characteristics, and cost of serving the customer are the same.

FIGURE 11

ELECTRIC GENERATING CAPACITY OWNED AND PURCHASED
WITH GENERATING CAPACITY LOCATED IN NORTH CAROLINA SHOWN
UNIT OF MEASURE KILLOWATT

	Generating Capacity Steam			Owned—Maximum Name Plate Rating Hydroelectric		
	1965	1964	1960	1965	1964	1960
Carolina Power & Light Co.	1,627,195	1,627,245	1,047,500	219,600	219,600	226,600
Duke Power Company	3,454,000	3,104,000	2,829,000	768,138	768,138	498,162
Nantahala Power & Light Co.	0	0	0	93,975	99,460	99,460
Virginia Electric & Power Co.	3,363,190	2,824,150	2,045,140	306,690	313,695	135,775
Totals	8,444,385	7,555,395	5,921,640	1,388,403	1,400,893	959,997
Per cent Increase	11.8%	27.6%		(.9%)	45.9%	
Generated in North Carolina	4,499,560	4,149,610	NA	1,030,280	1,035,428	NA
Per cent Total	53.3%	54.9%		74.2%	73.9%	

	Generating Capacity Purchased*			Total Owned and Purchased		
	1965	1964	1960	1965	1964	1960
Carolina Power & Light Co.	229,000	243,200	310,000	2,075,795	2,090,045	1,584,100
Duke Power Company	307,535	0	0	4,592,673	3,872,138	3,327,162
Nantahala Power & Light Co.	0	0	0	93,975	99,460	99,460
Virginia Electric & Power Co.	50,000	126,700	108,800	3,719,880	3,264,545	2,289,715
Totals	586,535	369,900	418,800	10,482,323	9,326,188	7,300,437
Per cent Increase	58.6%	(11.7%)		12.4%	27.7%	
Generated in North Carolina	NA	NA	NA	5,529,840	5,185,038	NA
Per cent Total				52.8%	55.6%	

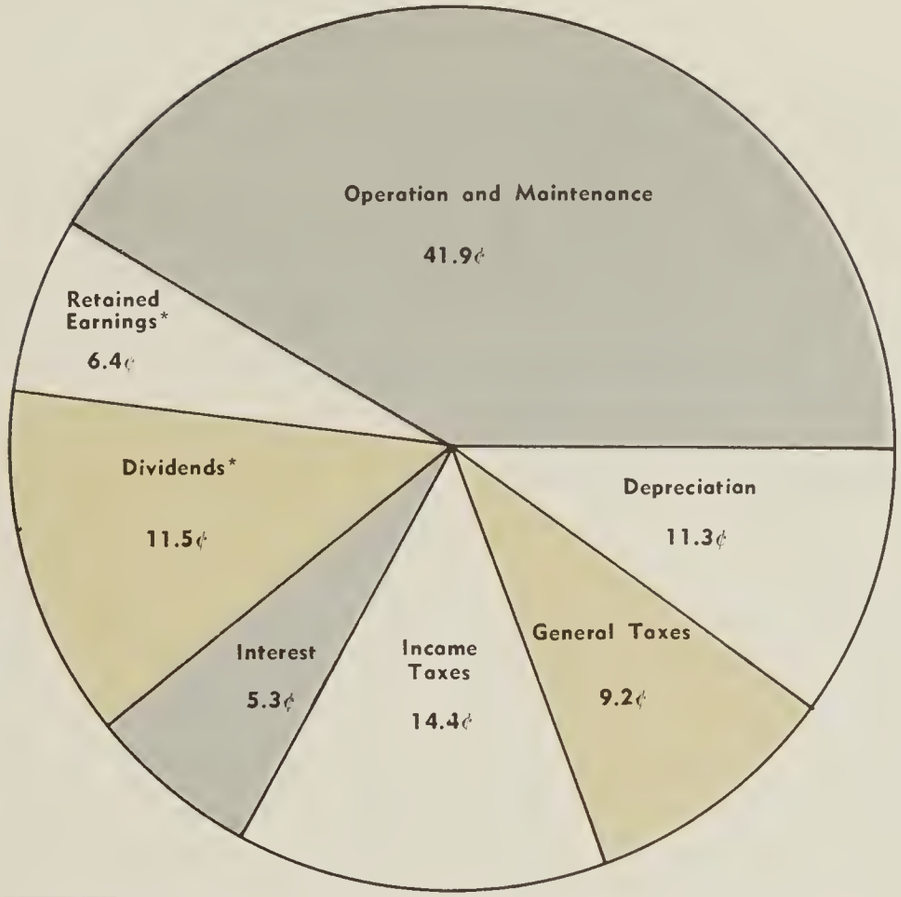
* Based on annual maximum demand.

NA—Not Available

FIGURE 12

DISPOSITION OF THE REVENUE DOLLAR

ELECTRIC COMPANIES
North Caralina Class A Operations Only
December 31, 1965



* Retained Earnings and Dividends per revenue dollar have no relation ta the rate af return earned on investment.

FIGURE 13

ELECTRIC COMPANIES—CLASS A
Energy Sales By Classes

(North Caralina Data Only—Kilawatt Haurs In Thausands)

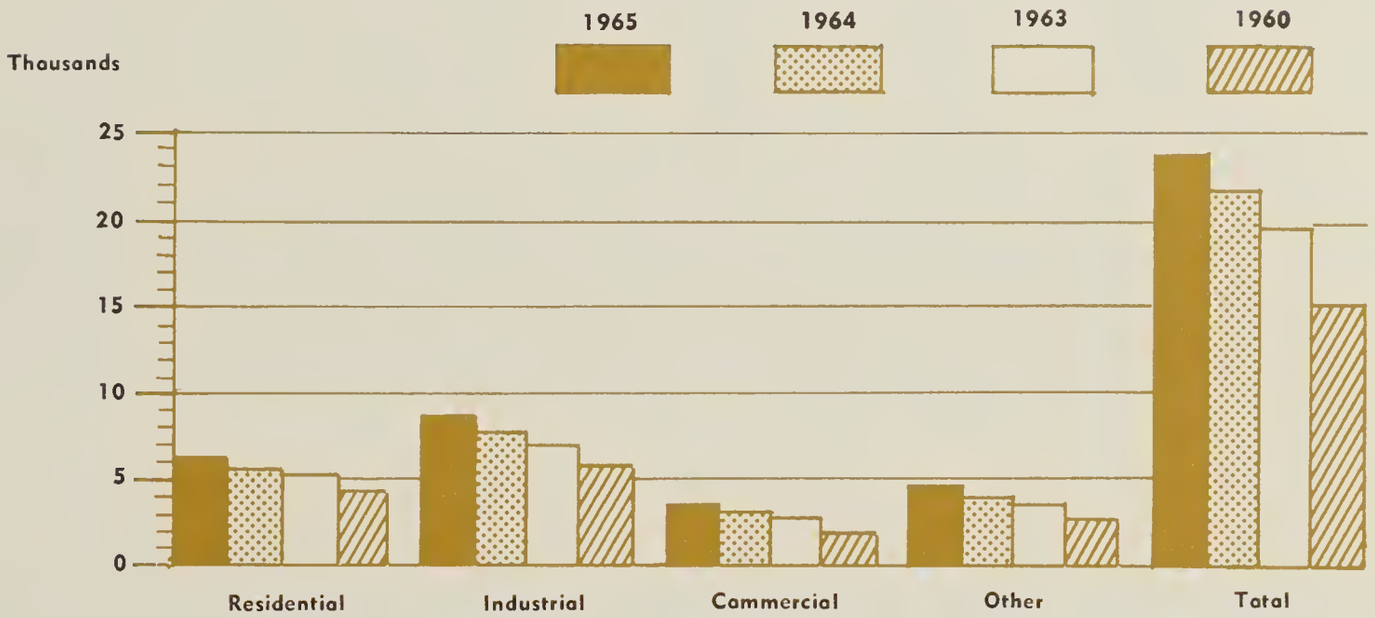


FIGURE NO. 14 A

ELECTRIC COMPANIES— CLASS A

Summary of Selected Income, Expense, Balance Sheet and Customer Statistics

For the Calendar Years of 1960, 1963, 1964 and 1965

(N. C. and Systemwide Data as Indicated)

Item	Class A Companies ($2,500,000 or More Operating Revenues)				Per Cent Change More or (Less)	
	1960	1963	1964	1965	1963 to 1964	1964 to 1965
No. of Companies Regulated and included in this Data	4	4	4	4		
Income Items (N. C. Only)						
Residential Sales	$ 83,380,000	$100,881,000	$106,710,176	$112,279,119	5.8	5.2
Commercial Sales	37,704,100	48,257,100	53,067,632	57,600,331	10.0	8.5
Industrial Sales	48,897,200	59,915,200	65,465,847	71,737,144	9.3	9.6
Sales for Resale	20,791,800	28,884,500	31,141,904	31,332,127	7.8	.6
All other Operating Revenue	6,867,000	8,252,400	9,087,476	12,408,894	10.1	36.5
Total Operating Revenue	$197,640,100	$246,190,200	$265,473,035	$285,357,615	7.8	7.5
Expense Items (N. C. Only)						
Operating and Maintenance	$ 82,502,120	$100,700,170	$106,844,644	$115,759,268	6.1	8.3
Depreciation & Amortization	22,972,500	28,988,000	30,672,923	32,309,662	5.8	5.3
Taxes:						
State Income Taxes	3,052,100	3,897,907	4,643,170	4,997,401	19.1	7.6
State Gross Receipts Taxes	11,592,062	14,429,368	15,551,009	16,588,775	7.8	6.7
Local Property Taxes	5,740,423	7,331,648	8,191,796	8,494,964	13.3	3.7
All Other Taxes	28,148,007	34,640,760	37,312,795	38,730,915	7.7	3.8
Total Taxes	48,532,592	60,299,683	65,698,770	68,812,055	9.1	4.7
Total Operating Expenses	156,810,312	193,791,753	207,220,173	220,990,562	6.9	6.6
Net Operating Revenue	40,829,788	52,398,447	58,252,862	64,367,053	11.2	10.5
Income Items (System-wide)						
Operating Revenue	$397,459,162	$492,817,038	$529,788,860	$571,081,788	7.5	7.8
Operating Expense	309,887,923	375,237,451	419,424,410	432,958,165	11.8	3.2
Net Operating Revenue	$ 87,571,239	$117,579,587	$127,178,721	$140,916,283	8.2	10.8
Net Income	70,066,182	90,380,911	100,752,706	112,295,240	11.5	11.5
Shares of Common Stock Outstanding-Year End (a)	55,246,000	56,450,258	57,637,179	57,731,892	2.1	.2
Average Earnings Per Share— Shares at Year End (After Preferred stock dividend)	$1.17	$1.47	$1.62	$1.67	10.2	3.0
Balance Sheet Items (N. C. Only)						
Utility Plant (Electric Portion Only)	$912,183,300	$1,136,977,000	$1,197,844,033	$1,325,690,092	5.4	10.7
Depreciation Reserve	231,139,700	303,632,200	324,297,216	352,625,813	6.8	8.7
Net Utility Plant (Original Cost)	$681,043,600	$833,344,800	$873,546,817	$973,064,279	4.8	11.4
Balance Sheet Items (System-wide)						
Long-term debt	$737,334,000	$898,602,000	$926,402,000	$1,023,461,000	3.1	10.5
Total Capitalization	1,476,165,839	1,780,367,530	1,897,204,526	2,005,861,562	6.6	5.7
Long-term Debt — Per cent of Total Capitalization	49.9	50.5	52.0	51.0	3.0	(1.9)
Statistics — N. C. Unless Otherwise Noted						
Total Customers — Year Average	938,705	1,007,532	1,035,063	1,065,650	2.7	3.0
Average No. of Kwhs used per Residential Customer	5,204	6,088	6,411	6,697	5.3	4.5
Average Revenue per Kwh — Residential Customer	$ 1.96	$ 1.89	$ 1.85	$ 1.82	(2.1)	(1.6)
Number of Employees Residing in N. C.	7,454	7,623	7,462	7,875	(2.1)	5.5
Wages and Salaries Paid N. C. Employees	$ 39,146,298	$ 44,022,605	$ 46,296,384	$ 49,359,456	5.2	6.6
System Sales to Ultimate Consumers (Kwhs in 000)	24,601,101	31,403,843	34,716,528	38,542,626	10.5	11.0
System Sales for Resale (Kwhs in 000)	3,382,966	4,730,996	5,005,460	5,608,578	5.8	12.0
Total Sales to Ultimate Consumers and for Resale (Kwhs in 000)	27,984,067	36,134,839	39,721,988	44,151,204	9.9	11.2

(a) Restated to Reflect following stock splits: CP&L— 2 for 1 in 1964; ,Duke—2 for 1 in 1964; VEPCO— 3 for 2 in 1963.

GENERATING CAPACITY—Total and within North Carolina

Total owned and purchased generating capacity of the Class A electric companies serving in North Carolina increased their total generating capacity 1,156,135 kilowatts during 1965 or 12.4% over 1964, with 52.8% of this total generating capacity being located within the boundaries of North Carolina.

STATISTICAL SUMMARY DATA

As may be seen from Figures No. 14, and 14A, the total operating revenues for the Class A electric utilities was up 7.5 percent from 1964. Total operating revenues for Class C and D (companies with operating revenues under $1,000,000) were up 7.6 percent from 1964. Operating expenses increased at a lower rate for all companies in 1965 than did revenues. Net operating income increased 10.5 per cent in 1965 for the major electric utilities and 18.6 per cent for the minor electric utilities. Average earnings per share* for the major electric went from $1.17 per share in 1960 to $1.62 per share in 1964 and to $1.67 in 1965, a 3.0 per cent increase over 1964.

Total salaries and wages paid North Carolina employees increased by about 6.6 per cent to $49,359,456. The total number of employees residing in North Carolina increased by approximately 413.

The disposition of the revenue electric dollars as shown on the pie chart Figure No. 12 is very similar to the 1964 data. As in 1964, operation and maintenance expenses in 1965 accounted for over 40 per cent of the total revenue dollar. The total comparative figures for 1965 and 1964 were as follows:

	Per cents	
	1965	1964
Operation and Maintenance	41.9	42.4
Depreciation	11.3	11.4
General Taxes	9.2	9.2
Income Taxes	14.4	15.1
Interest	5.3	5.1
Dividends	11.5	11.0
Retained Earnings	6.4	5.8
Total	100.0	100.0

Total Energy sales in North Carolina increased in 1965 over 1964 by 10.4 per cent to a total of 23,677,000 kilowatt hours. (See Figure No. 13.) The per cent of energy sales by classes of customers for the years 1960-1965 were as follows:

	Thousands of Kilowatt Hours			
	1965		1960	
	Amount	%	Amount	%
Residential	6,178	26.1	4,249	28.1
Industrial	8,909	37.6	5,868	38.8
Commercial	3,658	15.4	2,050	13.6
Other	4,933	20.9	2,960	19.5
Total	23,677	100.0	15,127	100.0
Per cent Increase	56.5%			

* Adjusted for stock splits authorized by the Commission.

FIGURE NO. 14

ELECTRIC COMPANIES—CLASS C AND D

Summary of Selected Income, Expense, Balance Sheet and Customer Statistics

For the Calendar Years of 1960, 1963, 1964 and 1965

Item	Class C and D Companies (Companies with Operating Revenues under $1,000,000)				Per Cent Change More or (Less)	
	1960	1963	1964	1965	1963 to 1964	1964 to 1965
No. of Companies Regulated and included in this Data	11	10	9	9		
Income Items (N. C. Only)						
Total Operating Revenue	$ 905,429	$ 1,054,988	$ 1,113,179	$ 1,197,290	5.5	7.6
Expense Items (N. C. Only)						
Total Operating Expenses	$ 760,162	$ 894,703	$ 958,519	$ 1,013,819	7.1	5.8
Net Operating Revenue	$ 145,267	$ 160,285	$ 154,660	$ 183,471	(3.5)	18.6
Balance Sheet Items (N. C. Only)						
Utility Plant (Electric Portion Only)	$ 1,745,933	$ 2,024,991	$ 2,112,647	$ 2,319,816	4.3	9.8
Depreciation Reserve	580,856	733,630	897,418	1,036,717	22.3	15.5
Net Utility Plant (Original Cost)	$ 1,165,077	$ 1,291,361	$ 1,215,229	$ 1,283,099	(5.9)	5.6
Statistics—N. C. Unless Otherwise Noted						
Total Customers—Year Average	7,207	7,725	7,840	8,134	1.5	3.8
Average Revenue per Kwh—Residential Customer	$ 2.74	$ 2.63	$ 2.54	$ 2.48	(3.4)	(2.4)
System Sales to Ultimate Consumers (Kwhs in 000)	33,167	39,284	42,894	47,237	9.2	(1.5)

III. The Natural Gas Industry

FIGURE NO. 15

Gas Companies and Municipal Gas Systems Operating in the State of North Carolina

GAS COMPANIES

Carolina Natural Gas Corporation
J. D. Barnes, President
P. O. Box 836
Hickory, North Carolina

Mount Airy Gas Company, Inc.
C. E. Lawrence, President
P. O. Box 921
Mount Airy, North Carolina

North Carolina Natural Gas Corp.
Volney Kyle, Jr., President
P. O. Box 112
Fayetteville, North Carolina

North Carolina Gas Service, Division of Pennsylvania & Southern Gas Co.
J. E. Connolly, Vice President
P. O. Box 779
Reidsville, North Carolina

Piedmont Natural Gas Company, Inc.
Buell G. Duncan, President
523 South Tryon Street
P. O. Box 1968
Charlotte, North Carolina

Public Service Company of N. C., Inc.
B. E. Zeigler, President
P. O. Box 98
Gastonia, North Carolina

United Cities Gas Company, North Carolina Division
William Wall, President
400 Nashville Gas Company Bldg.
814 Church Street
Nashville, Tennessee

R. S. Lee, Manager
P. O. Box 2000
124 Fourth Avenue, East
Hendersonville, North Carolina

MUNICIPAL GAS SYSTEMS

Greenville, City of
Leonard P. Bloxam
Director of Public Utilities
Greenville, North Carolina

Kings Mountain, City of
Glee A. Bridges, Mayor
Kings Mountain, North Carolina

Lexington, City of
W. M. Beck
Director of Public Utilities
Lexington, North Carolina

Monroe, City of
L. E. Hinkel
City Manager
Monroe, North Carolina

Shelby, City of
Dr. Hubert S. Plaster, Mayor
Shelby, North Carolina

Wilson, City of
Jack Maynard
City Manager
Wilson, North Carolina

Bessemer City
G. A. Hook, Sr., Mayor
Bessemer City, North Carolina

Rocky Mount, City of
William H. Batchelor
City Manager
Rocky Mount, North Carolina

THE NATURAL GAS INDUSTRY

At the end of 1965, seven (7) natural gas utilities were under Commission regulation. Five of these were Class A and B companies with annual gross operating revenues in excess of $1 million. Two were Class C and D companies with less than $1 million in annual gross revenues. It should be noted that the Commission approved merger of North Carolina Natural Gas Corporation and Tidewater Natural Gas Corporation became effective January 1, 1965. This, of course, reduced the count of Class A and B companies but did not reduce service in the state. The North Carolina companies are transmission and distribution companies, purchasing their gas for resale from Transcontinental Gas Pipe Line Corporation, the only interstate gas pipeline operating within the state. Transcontinental Gas Pipe Line Corporation purchases natural gas from producers in Texas and Louisiana and transports it to North Carolina where it is resold to the distributing companies at rates prescribed by the Federal Power Commission on the basis of three zones of distance from the point of production. North Carolina is in Zone 2, which is bounded by the Georgia-South Carolina State Line on the south and the Virginia-Maryland State Line on the north. Transcontinental Gas Pipe Line Corporation's rate to North Carolina distributing companies at December 31, 1965, was 11 cents per mcf* of contract demand plus 23.2 cents per mcf for commodity use charge. The distributing companies contract for a fixed amount (called contract demand) of gas to meet their customers requirements on a daily basis from the interstate pipeline company. The distributing companies must pay the contract demand

portion of the bill for this gas whether or not they can resell it. Since the principal retail market for natural gas is for heat energy, distributors are required to sell large volumes of interruptible gas to industry, particularly in the summer months. Interruptible gas is gas which the distributor contracted for with the pipeline company but which is not needed or demanded by its firm customers on a particular day. Interruptible customers purchase natural gas from the distributing companies with the understanding that they may have their supply interrupted or curtailed at times when the distributing company needs the gas for its firm customers. For this reason, interruptible gas is sold at a much lower price than firm gas.

In the past, the Utilities Commission has participated in several rate proceedings before the Federal Power Commission and has been instrumental in establishing zone rates and rate reductions and refunds for distributing companies in North Carolina. These rate reductions have then been reflected in North Carolina distribution rates, and refunds have been passed on to North Carolina natural gas customers in many instances.

Only three of the distributing companies in North Carolina have operations in other states: North Carolina Gas Service, a division of Pennsylvania and Southern Gas Company; United Cities Gas Company; and Piedmont Natural Gas Company, Inc. Under existing federal law any interstate operations of distributing companies whose purchases and sales are all made within the state are under the jurisdiction of the state.

There are 154 cities and towns served by the natural gas utilities which have a combined population in excess of 1,639,974. Two areas of the state, northeastern North Carolina and northwestern North Carolina, do not have the benefit of natural gas service. These areas have not been served due primarily to their somewhat slower rate of industrial development and their general topography. Various state agencies are cooperating with the Commission to help accelerate the availability and need for natural gas in these areas.

Customer Growth

The annual average number of natural gas utility customers increased by 10.3 per cent in 1965, reaching a total of 185,387. This growth rate in new customers exceeds the rate for any other utility category regulated by the Commission. Residential customers increased 8.2 per cent, or by 10,983. The per cent of residential space heating customers to total residential customers increased 70.4 per cent in 1964 to 73.5 per cent in 1965. The natural gas industry is young and comparatively small in North Carolina having been introduced during the 1950-1958 period. This accounts in part for the larger per cent customer growth reflected by them. The natural gas utilities are now heavily engaged in attempting to fully serve the franchised built-up areas.

Figure No. 16 shows the customer growth for the year 1960 through 1965 by major customer classification. The exact number of customers by service classification as reflected in Figure No. 16 with the industrial group divided between firm and interruptible are as follows:

Classification	Customer (Annual Average)			Per Cent of Increase (Decrease) 1965 over 1964
	1965	1964	1963	
Residential	145,080	134,097	125,435	8.2
Commercial	20,613	18,903	17,470	9.0
Industrial—Firm	1,264	1,205	1,069	4.9
Industrial—Interruptible	596	597	592	(.2)
Other Classes	17,834	13,276	13,387	34.3
Totals	185,387	168,078	157,953	10.3

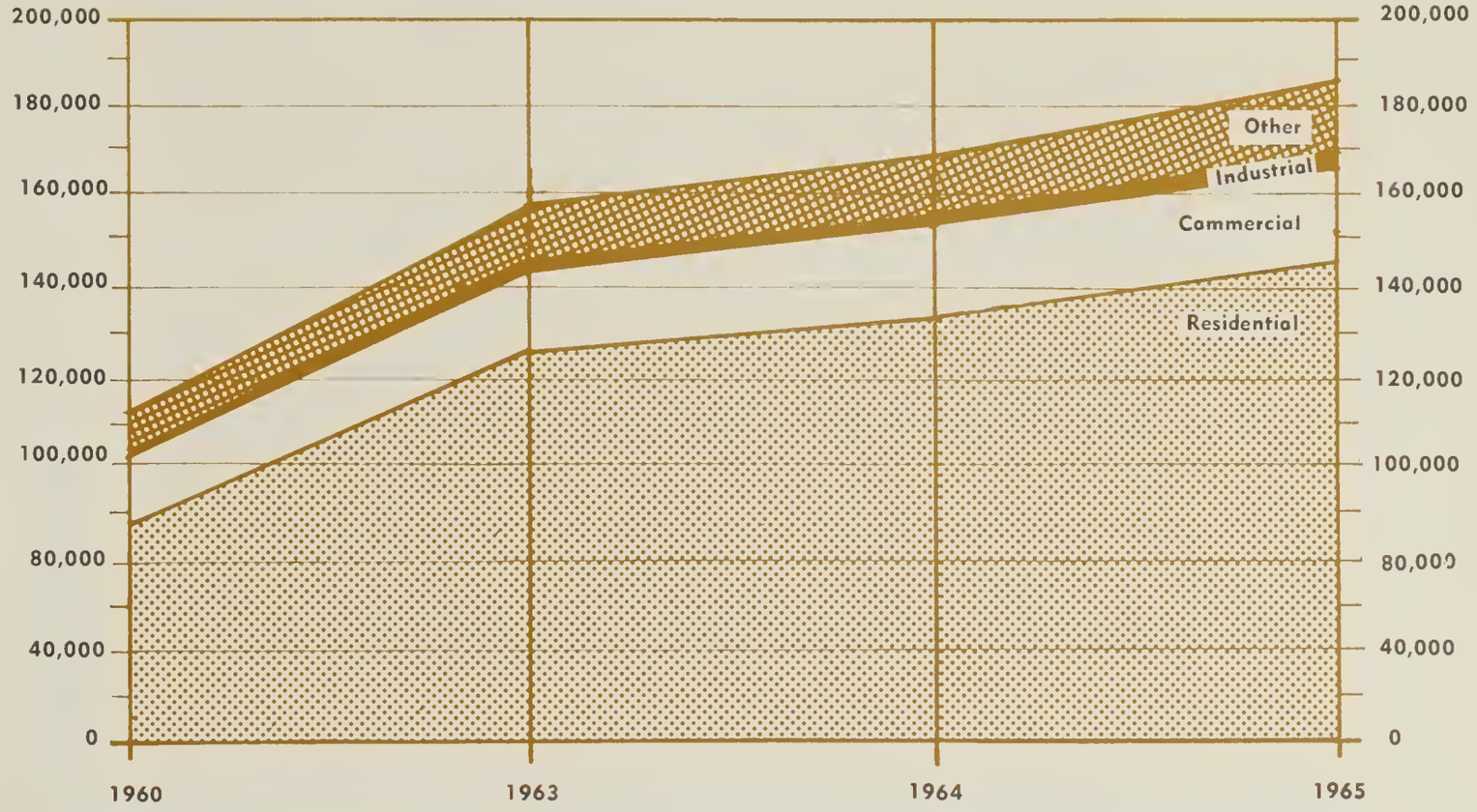
Figure 17 shows the total customer growth by regulated companies and municipal gas systems with total revenues and total volume of gas sold in mcf's for the years 1963 through 1965.

The regulated gas utilities had an increase in customers of 10.3 per cent, and the municipals increased their customers 3.5 per cent. At the same time the municipals total revenue from the sale of gas increased 6.9 per cent while the regulated gas companies increased 4.4 per cent. The per cent increase in number of mcf's of gas sold was very similar, the regulated companies having an increase of 9.6 per cent vs. an 8.7 per cent increase by the municipals.

* thousand cubic feet.

FIGURE 16

GAS COMPANIES—CUSTOMER GROWTH BY CLASSES
(North Caralina Data Only)



Residential Bills Usages and Cost per Mcf; Comparisons.

Rates for natural gas and its usage vary widely among companies and regions, rendering it extremely difficult to make meaningful comparisons. Some of the reasons for these variations are: (a) Price: distance from source of supply, date pipelines were constructed and investment cost to be recovered and capitalization to be serviced, historic rate structures of different companies, and ability of the distribution company to obtain a high system load factor* and thereby earn a lower rate on its purchased gas; (b) Usage: the percentage relationship of space-heating customers to total customers among companies and regions, weather conditions between companies and regions (a variation in temperature of a few degrees per day between areas can greatly affect the number of degree days), and the competitive relationship of natural gas to other energy sources such as fuel oil, electricity, and coal; (c) Saturation of customers; i.e., the number of customers per mile of gas mains.

Bearing in mind the foregoing barriers to discussions of averages and comparisons, we may proceed to discuss the following bills: For the year 1965 the average North Carolina natural gas residential customer used 93 mcf (thousand cubic feet) and paid $1.41 per mcf.** His total annual bill was approximately $131.44. This compares to a nationwide average use of 117 mcf annually at a cost of $1.00 per mcf, for a total annual bill of about $117. Thus on the basis of state and national averages, the North Carolina residential customer is paying more annually for less natural gas than his counterpart nationwide. Within North Carolina, residential customers average rates ranged from $1.08 per mcf for customers of Pennsylvania and Southern Gas Company (Reidsville) to $1.72 per mcf for customers of North Carolina Natural Gas Company, Fayetteville, North Carolina, and United Cities Gas Company with operations in the Hendersonville, North Carolina, area. It is noteworthy that residential customer usage closely relates to the prices charged customers, viz., Pennsylvania and Southern Gas Company residential customers used 121 mcf during 1965 while North Carolina Natural Gas Company's residential customers used only 72 mcf. This relationship of high-use to low-price is also reflected for other North Carolina companies as shown in Figure 19.

As may be seen from Figure No. 19, four of eight selected natural gas distribution companies outside North Carolina had lower average prices per mcf than any of the companies in North Carolina. Three of these companies experienced greater average annual usage per residential customer than the North Carolina company with the highest annual residential use.

* Load factor is the ratio of actual use of a facility over a period of time to the use of which the facility was capable for the same period.

** An mcf represents about 1,050,000 BTU in heating capacity as compared to 3,413 for a kilowatt hour, or 13,000 BTU one pound of coal, or 140,000 BTU for one gallon of #2 fuel oil.

FIGURE NO. 17

REGULATED AND MUNICIPAL GAS SYSTEMS

Number of Customers, Total Revenue From Sales of Gas and Total MCF Sold For the Years 1965, 1964 and 1963 [1]

Regulated Utilities	Number of Customers Yearly Average [2], [5] (N. C. Data Only) 1965	1964	1963	1965 over 1964 Increase (Decrease)
Class A & B				
Carolina Natural Gas Corp.	6,646	5,960	5,211	11.5
North Carolina Natural Gas Corp. [4]	32,653 [3]	31,624 [3]	32,033 [3]	3.3
North Carolina Gas Service, Division of Pennsylvania & Southern Gas Company	4,943	4,175	3,750	18.4
Piedmont Natural Gas Co., Inc.	80,372	75,496	70,524	6.5
Public Service Co. of N. C., Inc.	59,472	49,501	45,128	20.1
Totals—Class A & B	184,086	166,756	156,646	10.4
Class C & D				
Mount Airy Gas Company	36	28	26	28.6
United Cities Gas Company	1,265	1,294	1,281	(2.2)
Totals—Class C & D	1,301	1,322	1,307	(1.6)
Grand Totals—Regulated Utilities	185,387	168,078	157,953	10.3
Municipals				
Bessemer, City of	303	262	214	15.6
Greenville, City of	3,913	3,872	3,812	1.1
Kings Mountain, City of	1,000	879	833	13.8
Lexington, City of	3,576	3,450	3,319	3.7
Monroe, City of	1,030	991	790	3.9
Rocky Mount, City of	3,464	3,523	3,534	(1.7)
Shelby, City of	2,656	2,522	2,354	5.3
Wilson, City of	3,540	3,323	3,163	6.5
Totals—Municipals	19,482	18,822	18,019	3.5
Grand Totals—All Gas Systems	204,869	186,900	175,972	1.1

[1] Regulated Utilities—Year Ends December 31st. Municipal Systems—Year Ends June 30th.
[2] Public Housing Units counted as customers.
[3] Includes tobacco curing customers estimated as follows: 1965—777, 1964—777, 1963—640.
[4] Includes data for Tidewater Natural Gas Company which has merged with North Carolina Natural Gas Corp.
[5] Municipal gas companies customer data—year end.

FIGURE NO. 17

REGULATED AND MUNICIPAL GAS SYSTEMS

Number of Customers, Total Revenue From Sales of Gas and Total MCF Sold

For the Years 1965, 1964 and 1963 [1]—Continued

Regulated Utilities	Total Revenue From Sales of Gas (N. C. Data Only)			1965 over 1964 Increase (Decrease)	MCF Gas Sold (N. C. Data Only)			1965 over 1964 Increase (Decrease)
	1965	1964	1963		1965	1964	1963	
Class A & B								
Carolina Natural Gas Corp.	$ 2,738,333	$ 2,559,616	$ 2,221,300	7.0	3,815,448	3,462,179	2,943,443	10.2
North Carolina Natural Gas Corp. [4]	10,599,099	11,268,030	10,285,000	(5.9)	17,039,399	17,020,225	16,316,603	.1
North Carolina Gas Service, Division of Pennsylvania & Southern Gas Company	1,221,997	1,184,065	1,134,000	3.2	1,716,552	1,615,045	1,553,304	6.3
Piedmont Natural Gas Co., Inc.	19,455,434	18,090,062	17,064,000	7.5	24,338,353	20,706,709	19,687,017	17.5
Public Service Co. of N. C., Inc.	17,738,604	16,481,891	14,458,000	7.6	23,234,454	21,195,692	18,368,678	9.6
Totals—Class A & B	$51,753,467	$49,583,664	$45,162,300	4.4	70,144,206	63,999,850	58,869,045	9.6
Class C & D								
Mount Airy Gas Company	$ 9,091	$ 3,483	$ 2,439	161.0	1,496	515	359	190.5
United Cities Gas Company	349,663	351,059	323,839	(.4)	393,304	371,208	331,980	6.0
Totals—Class C & D	$ 358,754	$ 354,542	$ 326,278	1.2	394,800	371,723	332,339	6.2
Grand Totals—Regulated Utilities	$52,112,221	$49,938,206	$45,488,578	4.4	70,539,006	64,371,573	59,201,384	9.6
Municipals								
Bessemer, City of	$ 92,636	$ 76,921	$ 52,086	20.4	134,686	101,217	60,613	33.1
Greenville, City of	364,414	340,247	328,296	7.1	320,252	285,162	275,206	12.3
Kings Mountain, City of	426,713	298,201	228,627	43.1	642,018	389,855	263,024	64.7
Lexington, City of	717,803	719,883	675,452	(.3)	919,241	913,982	845,445	.6
Monroe, City of	330,682	255,567	232,309	29.4	367,352	266,713	136,971	37.7
Rocky Mount, City of	921,803	876,831	792,239	5.1	1,307,762	1,305,707	1,177,080	.2
Shelby, City of	1,239,564	1,154,288	1,095,770	7.4	2,575,650	2,236,048	2,089,995	15.2
Wilson, City of	571,967	643,553	605,453	(11.1)	544,746	770,553	755,667	(29.3)
Totals—Municipals	$ 4,665,582	$ 4,365,491	$ 4,010,232	6.9	6,811,707	6,269,237	5,604,001	8.7
Grand Totals—All Gas Systems	$56,777,803	$54,303,697	$49,498,810	4.6	77,350,713	70,640,810	64,805,385	9.5

[1] Regulated Utilities—Year Ends December 31st. Municipal Systems—Year Ends June 30th.

[2] Public Housing Units counted as customers.

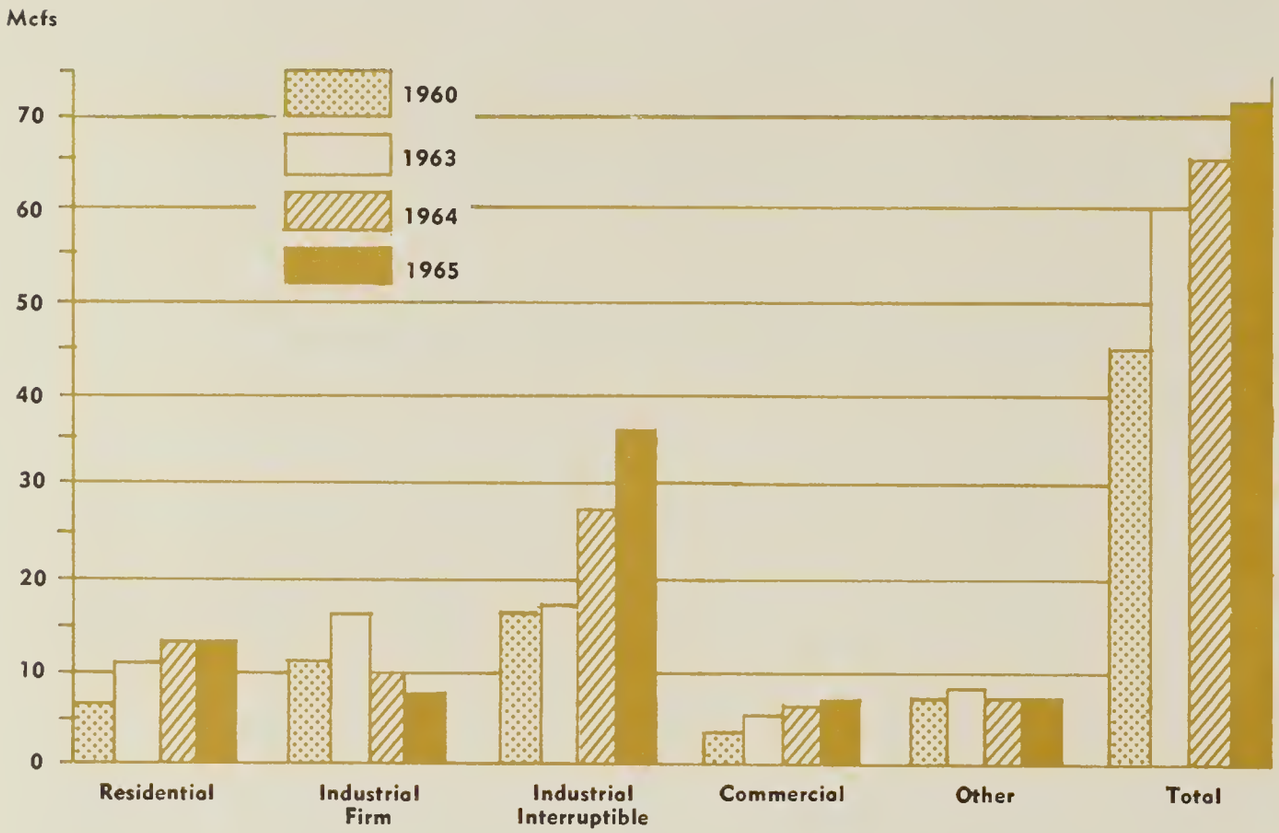
[3] Includes tobacco curing customers estimated as follows: 1965—777, 1964—777, 1963—640.

[4] Includes data for Tidewater Natural Gas Company which has merged with North Carolina Natural Gas Corp.

[5] Municipal gas companies customer data—year end.

FIGURE 18

GAS COMPANIES ENERGY SALES BY CLASSES TO ULTIMATE CONSUMERS
(Millions of Mcf—North Carolina Data Only)



Energy sales by classes of customers as shown on Figure 18 indicates that the industrial interruptible group of customers used the most gas even though they constitute the smallest group of customers.

Plant Investment

The regulated natural gas utilities increased their investment in plant for North Carolina by $12,418,810 in 1965, bringing their combined total gross investment for the state to $138,297,448. This represents an increase of 9.9 per cent over 1964 and closely parallels the customer growth rate (10.3 per cent), and rate of increased capitalization (8.5 per cent).

The gross investment by natural gas utilities for North Carolina and the per cent increase for individual companies is as follows:

	1963	1964	1965	Increase	Per Cent Increase
Carolina Natural Gas Corp.	$ 4,861,600	5,275,691	5,765,701	490,010	9.3
N. C. Natural Gas Corp.	29,325,000	30,237,279	31,136,309	899,030	3.0
Pennsylvania & Southern Gas Co.	2,338,000	2,505,076	2,730,579	225,503	9.0
Piedmont Natural Gas Company, Inc.	40,312,522	44,480,437	49,855,575	5,375,138	12.1
Public Service Co. of N. C., Inc.	37,293,000	42,591,440	48,008,948	5,417,508	12.7
Mount Airy Gas Company	94,663	94,663	94,663	–0–	–0–
United Cities Gas Company	672,197	694,052	705,673	11,621	1.7
Totals	$114,896,982	$125,878,638	$138,297,448	$12,418,810	9.9

FIGURE NO. 19

RESIDENTIAL NATURAL GAS CUSTOMER ANNUAL USAGE AND COST DATA (MCF's)
North Carolina and Selected Gas Companies Outside of North Carolina
For the Years 1964 and 1965

Company	Major Service Area	1965 Data Avg. Rate Per Mcf	1965 Data Avg. Annual Use Mcf	1965 Data Avg. Annual Total Cost	1964 Data Avg. Rate Per Mcf	1964 Data Avg. Annual Use Mcf	1964 Data Avg. Annual Total Cost
N. C. Gas Companies (N. C. Data Only)							
Carolina Natural Gas Corp.	Hickory, Lincolnton, Newton & 7 other towns served natural gas. Caldwell, McDowell, Burke, Catawba and Lincoln Counties served bottled gas.	$1.42	79	$112.36	$1.55	79	$122.07
N. C. Natural Gas Co.	South Central and Eastern North Carolina	1.72	72	123.18	1.74	70	122.07
Piedmont Natural Gas Co., Inc.	Charlotte, Winston-Salem, Greensboro, High Point and 11 other towns in N. C.	1.34	99	132.56	1.39	102	141.76
Public Service Co. of N. C., Inc.	Raleigh, Durham, Asheville, Gastonia, and 14 other Communities in N. C.	1.45	94	136.28	1.50	96	144.46
Pennsylvania & Southern Gas Co.	Reidsville, Leaksville, Spray, Draper, Madison & Mayodan in N. C.	1.08	121	131.25	1.15	135	155.20
United Cities Gas Co.	In North Carolina only. Hendersonville.	1.72	68	117.05	1.75	73	128.17
Weighted Average		1.41	93	131.44	1.46	95	139.01
Gas Companies Outside of N. C. (System-wide Data) [a]							
Alabama Gas Company	Central Alabama (includes Birmingham and Montgomery Districts)	1.13	100	113.00	1.16	102	118.32
Arkansas Western Gas Co.	Northwest Arkansas	.73	131	95.63	.70	126	88.20
Central Indiana Gas Co.	Muncie, Marion, Anderson, Elwood and 23 other towns in Indiana	.89	165	146.85	.90	159	143.10
Fall River Gas Company	Fall River, Somerset, Swansea, and Westport, Mass.	1.87	76	142.12	1.89	74	139.86
Haverhill Gas Company	Haverhill, Merrimac, Groveland, Amesbury and 12 other Communities in Massachusetts	1.81	83	150.23	1.83	78	142.74
Mississippi Valley Gas Co.	Northern half of the State of Mississippi	.84	102	85.68	.84	98	82.32
Washington Natural Gas Co.	Seattle, Tacoma, Olympia, Everett and 41 other communities in Washington State	1.35	115	155.25	1.38	101	139.38
West Ohio Gas Company	Lima, Delphos, Columbus, Grove, Ottawa and 18 other towns in Ohio	1.05	160	168.00	1.05	153	160.65
National Average		1.00	117	$117.00	$1.00	115	$115.00

[a] Source: April 1965 and 1966 "Monthly Comparison of Gas Utility Common Stocks" by Bear Stearns & Co., member of New York Stock Exchange, One Wall Street, New York 5, N. Y.

FIGURE 20

SUMMARY OF NATURAL GAS INDUSTRIAL USAGE, REVENUES & CUSTOMERS

N. C. Data Only—Calendar Years 1963-1964-1965

	Sales Mcf		
	1963	1964	1965
Total Sales	59,201,384	64,371,573	70,539,006
Industrial Sales Interruptible	17,463,047	28,914,896	35,474,199
Industrial Sales Firm	17,082,227	9,633,725	8,270,240
Totals	34,545,274	38,548,621	43,744,439
% of Total Volume	58.35%	59.88%	62.01%
Average Rate in Cents/Mcf	49.18	52.02	50.33

	Revenue		
	1963	1964	1965
Total Revenue	$ 45,730,803	$ 50,095,403	$ 52,437,554
Industrial Interruptible	7,252,027	12,704,326	16,078,054
Industrial Firm	9,735,644	7,347,159	5,936,747
Totals	$ 16,987,671	$ 20,051,485	$ 22,014,801
% of Total Revenue	37.15%	40.03%	41.98%

	Customers (Annual Average)		
	1963	1964	1965
Total Customers	157,953	168,078	185,387
Industrial Interruptible	592	597	596
Industrial Firm	1,069	1,205	1,264
Total Industrial Customers	1,661	1,802	1,860
% of Total Customers	1.1%	1.1%	1.0%

Industrial Sales Volume

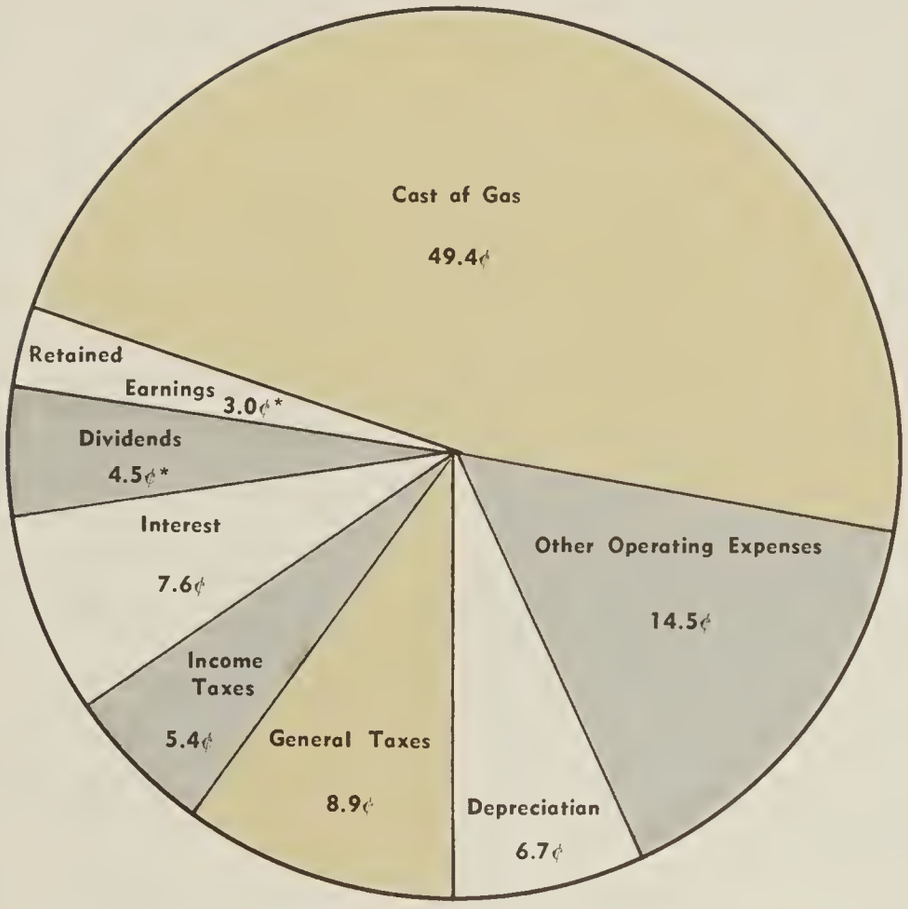
Natural gas continues as one of the prime energy sources for the new and rapid industrial expansion in North Carolina. Industrial sales during 1965 increased by 5,195,818 mcf to 43,744,439 mcf for 11.3 per cent increase over the previous year.

The industrial customer's average unit cost decreased from 52 to 50 cents in 1965. The importance of natural gas service to the industrial consumers is illustrated by the fact that 62 per cent of all natural gas sold in North Carolina went to industrial consumers. It is of further significance that one company, Public Service Company of North Carolina, made 38.5 per cent of all sales to industrial users. See Fig. 20 for summary of natural gas industrial usage, revenues and customers.

FIGURE 21

DISPOSITION OF THE REVENUE DOLLAR

GAS COMPANIES
North Carolina Data Only
December 31, 1965



* Retained Earnings and dividends per revenue dollar have no relation to the rate of return earned on investment.

Statistical Summary Data

Gross operating revenues for the regulated natural gas companies in North Carolina increased $2,342,251 in 1965, for a total gross operating revenue of $52,437,554. Operating revenue deductions increased at a lower rate than gross revenues, or at the rate of 4.4 per cent as compared to 4.7 per cent for gross revenues. Net operating revenues were up 6.4 per cent to a combined total of $7,791,656. Earnings per share decreased from 76 cents per common share in 1964 to 75 cents per share in 1965, due primarily to the increase in common shares outstanding from 4,760,089 to 5,422,710. Total wages and salaries increased 11.1 per cent to a combined total of $7,750,567. The natural gas utilities had a net gain of 82 employees in 1965 bringing total full-time employees to 1,410.

The revenue dollar of the gas companies was used in 1965 in a very similar manner to that of 1964 with the notable exception being the cost of gas which declined from 53.3 cents to 49.4 cents. Figure No. 21 shows the total disposition of the gas revenue dollar for 1965.

Figure No. 22 is a detailed representation of revenue and expense items for the industry as a whole. Securities issued by the gas companies may be found under the section, "Securities, Audits, and Annual Reports."

FIGURE NO. 22

GAS COMPANIES

Summary of Selected Income and Expenses, Balance Sheet and Customer Statistics For the Calendar Years of 1960, 1963, 1964 and 1965

(North Carolina Data Only Unless Noted Otherwise)

Item	Years (Cents Omitted)				Per Cent Change More (Less)		
	1960	1963	1964	1965	1960 to 1963	1963 to 1964	1964 to 1965
Number of Companies Regulated	8	8	8	7			
Number Included in this Data	8	8	8	7			
Income and Expense Items:							
Total Sales to Ultimate Consumers	$ 29,195,718	$42,292,578	$ 46,819,941	$ 50,000,379	44.9	10.7	6.8
Sales for Resale	2,034,000	3,196,000	3,118,265	2,111,842	57.1	(2.4)	(32.3)
Total Sales of Gas	$ 31,229,718	$ 45,488,578	$ 49,938,206	$ 52,112,221	45.7	9.8	4.4
Other Operating Revenue	213,920	242,225	157,197	325,333	13.2	(35.1)	107.0
Total Operating Revenue	$ 31,443,638	$ 45,730,803	$ 50,095,403	$ 52,437,554	45.4	9.5	4.7
Natural Gas Purchased	$ 16,285,872	$ 23,046,288	$ 24,595,701	$ 25,925,843	41.5	6.7	5.4
Maintenance and Repairs	708,677	852,894	929,337	959,679	20.4	9.0	3.3
Depreciation and Amortization	1,949,108	3,059,199	3,196,020	3,463,046	57.0	4.5	8.4
Taxes:							
State Income	$ 235,114	$ 287,913	$ 419,086	$ 337,285	22.5	45.6	(19.5)
Federal Income Allocated to N. C. Earnings	2,001,923	2,521,155	2,987,093	2,539,403	25.9	18.5	(15.0)
Franchise, State and Local Property	2,333,803	3,621,508	4,047,876	4,490,322	55.2	11.8	10.9
Other Taxes	147,660	171,772	184,673	199,736	16.3	7.5	8.2
Total Taxes	4,718,500	6,602,348	7,638,728	7,566,746	39.9	15.7	(.9)
Total Operating Expenses	$ 28,194,887	$ 39,334,963	$ 42,772,353	$ 44,645,898	39.5	8.7	4.4
Net Operating Revenues	$ 3,248,751	$ 6,395,840	$ 7,323,050	$ 7,791,656	96.9	14.5	6.4
Other Income	178,767	199,775	250,976	234,044	11.8	25.6	(6.7)
Interest on Long-Term Debt	2,610,685	3,652,544	3,778,138	3,878,806	39.9	3.4	2.7
Total Other Deductions (Includes Interest on Long-Term Debt)	2,911,769	3,929,624	4,004,178	4,031,590	35.0	1.9	.7
Net Income	515,749	2,665,991	3,569,848	3,994,110	416.9	33.9	11.9
Balance Sheet Items (N. C. Only)							
Utility Plant (Gross)	$ 84,126,437	$114,896,982	$125,878,638	$138,297,448	36.6	9.6	9.9
Depreciation Reserve	8,133,669	15,980,216	18,927,438	22,092,714	96.5	18.4	16.7
Utility Plant—Net (Original Cost)	$ 75,992,768	$ 98,916,766	$106,951,200	$116,204,734	30.2	8.1	8.7
Balance Sheet Items (System-wide)							
Long-Term Debt	$ 64,432,400	$ 86,984,000	$ 87,931,577	$ 94,564,577	35.0	1.1	7.5
Earned Surplus	4,930,248	5,913,486	7,771,762	9,441,643	19.9	31.4	21.5
Total Capitalization	$ 94,245,626	$122,332,053	$132,669,408	$143,993,950	29.8	8.5	8.5
Long-Term Debt—Per cent of Total Capitalization	68.4	71.1	66.3	65.7	3.9	(6.8)	(.9)
Number of common shares Outstanding—Year End	4,197,010	4,606,720	4,760,089	5,422,710	9.8	3.3	13.9
Earnings Per common Share—Year End (After Preferred Dividends)	4¢	61¢	76¢	75¢	1425.0	26.2	(1.3)
Customer and Miscellaneous Data							
Average Annual Use—Residential Customer (Mcfs)	81	91	95	93	12.3	4.4	(2.1)
Total Residential Customers—Avg. Annual Count	88,509	125,435	134,097	145,080	41.7	6.9	8.2
Grand Total all Types Customers—Avg. Annual Count	112,409	157,953	168,078	185,387	40.5	6.4	10.3
Average Number of Full-time Employees	1,113	1,254	1,328	1,410	12.7	5.9	6.2
Total Salaries and Wages Paid Employees	$ 5,209,069	$ 6,257,150	$ 6,973,137	$ 7,750,567	20.1	11.4	11.1
Average Annual Compensation Per Employee	$ 4,680	$ 4,990	$ 5,251	$ 5,497	6.6	5.2	4.7

IV. The Telephone Industry

FIGURE NO. 23

THE TELEPHONE INDUSTRY

TELEPHONE COMPANIES OPERATING IN NORTH CAROLINA AND NUMBER OF TOTAL TELEPHONES IN SERVICE AT YEAR END FOR 1963, 1964 and 1965

Companies	Number of Total Telephones in Service			Per Cent of Increase (Decrease)	Number of Exchanges	
CLASS A AND B	1963	1964	1965	1965 over 1964	1964	1965
Carolina Telephone and Telegraph Company	262,300	283,031	306,770	8.4	113	113
Central Telephone Company	71,571	76,455	81,858	7.1	25	27
Citizens Telephone Company	4,747	5,300	5,919	11.7	2	3
Concord Telephone Company	39,873	41,923	44,308	5.7	9	9
Eastern Rowan Telephone Company	2,514	2,675	2,832	5.9	1	1
General Telephone Co. of N. C.	8,299	8,952	9,306	4.0	1	3
General Telephone Company of the Southeast	50,226	52,389	56,057	7.0	2	2
Heins Telephone Company	9,929	10,601	11,267	6.3	3	3
Lee Telephone Company	7,938	8,570	9,169	7.0	5	5
Lexington Telephone Company	10,497	11,144	12,006	7.7	3	3
Mebane Home Telephone Company	2,283	2,392	2,571	7.5	1	1
Mooresville Telephone Company	4,748	5,053	5,466	8.2	1	1
Morris Telephone Company	9,578	10,177	10,481	3.0	7	7
Norfolk & Carolina Telephone & Telegraph Company	16,710	17,778	18,757	5.5	11	11
North Carolina Telephone Company	10,146	11,054	12,096	9.4	11	13
North State Telephone Company	43,152	45,513	48,237	6.0	3	3
Oldtown Telephone System, Inc.	7,093	7,800	8,872	13.7	5	5
Sandhill Telephone Company	1,709	1,684	1,743	3.5	2	2
Southern Bell Telephone & Telegraph Company	775,270	825,531	884,507	7.1	90	92
Thermal Belt Telephone Company	3,389	3,525	3,750	6.4	3	3
United Telephone Company of the Carolinas, Inc.	19,723	21,020	22,768	8.3	13	13
Western Carolina Telephone Company	14,062	14,675	15,489	5.5	11	11
Westco Telephone Company	7,234	8,122	8,709	7.2	13	13
Totals—Class A and B	1,382,991	1,475,364	1,582,938	7.3	335	344
CLASS C AND D						
Barnardsville Telephone Company	247	280	293	4.6	1	1
Cooleemee Telephone Company	664	715	749	4.8	1	1
Denton Telephone Company	806	841	910	8.2	1	1
Ellerbe Telephone Company	742	713	743	4.2	1	1
Lilesville Telephone Company	350	427	454	6.3	1	1
Princess Anne Telephone Company	43	47	48	2.1	1	1
Randolph Telephone Company	1,238	1,339	1,398	4.4	1	1
Saluda Mountain Telephone Company	346	358	373	4.2	1	1
Service Telephone Company	448	454	468	3.1	1	1
Totals—Class C and D	4,884	5,174	5,436	5.1	9	9
Grand Totals	1,387,875*	1,480,538*	1,588,374*	7.3	344	353
United States Totals	84,450,300	88,787,400	93,659,000	5.5		
*Includes Special Service Telephones as follows:	24,096	24,461	27,216	11.3		

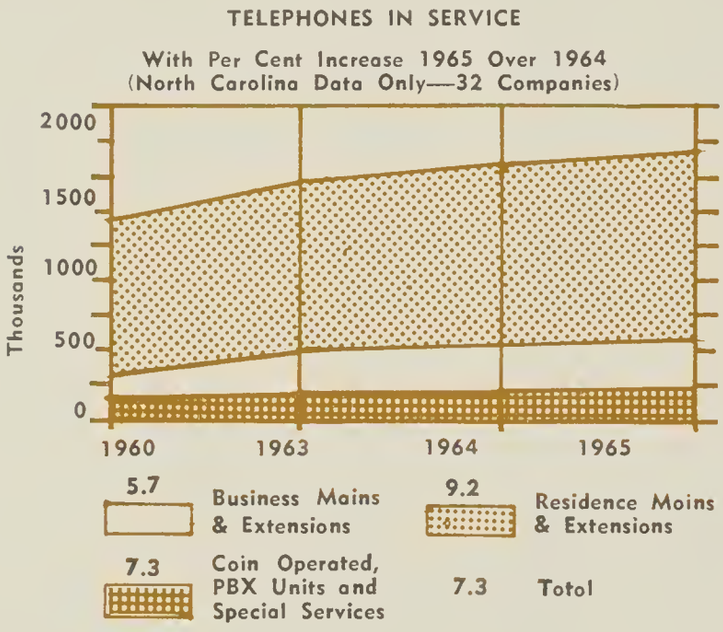
TELEPHONE INDUSTRY

GENERAL

At December 31, 1965, there were 22 Class A and B and 9 Class C and D telephone companies under jurisdiction of the North Carolina Utilities Commission. Western Union Telegraph Company's rates on intrastate service are also regulated by the Commission, but the Federal Communications Commission rather than the Utilities Commission has jurisdiction over the extension and abandonment of telegraph offices and services. The Utilities Commission receives notice of all proceedings initiated by Western Union and is a proper party to those proceedings. Seven of the telephone companies under North Carolina jurisdiction also have operations in other states.

The telephone companies render both local exchange service and toll service pursuant to tariffs containing rates and charges on file with and approved by the Utilities Commission.

FIGURE 24



CUSTOMER GROWTH AND IMPACT ON PLANT INVESTMENT

The regulated utilities had 1,588,374 telephones in service in North Carolina at December 31, 1965. They added 107,836 telephones in 1965, an increase in total telephones of 7.3 per cent over 1964. Figure No. 23 shows increases in telephones by companies. This rate of increase is 32.7 per cent greater than the national growth-rate in 1965. For over a decade, new telephones have been installed in North Carolina at a rate greater than the national rate. Of total telephones provided by regulated utilities in the state, Southern Bell Telephone and Telegraph Company serves 55.7 per cent, and Carolina Telephone and Telegraph Company serves 19.3 per cent. An indication of the activity leading to the gain of these telephones is that about four installations or moves are made for each net gain of one telephone.

The installation of an additional telephone requires additional investment and is not always obvious. For example, in installing an additional instrument, provision must be made for central office equipment, circuits, and lines adequate to the traffic potential of the installation. The telephone companies attempt to maintain a plant margin or reserve for growth and maintenance of at least six to eighteen months for central office equipment. For other types of plant, the companies strive for a margin or reserve of greater duration depending on the type of construction and the economies involved in such construction. The telephone company generally attempts to engineer for a three-year growth in outside cable plant facilities and for a one- to two-year growth factor in central office equipment. The experience of the majority of companies in North Carolina recently has been that margins are taken up by new demands much more rapidly than projected, often in as little as six months. **Unlike other industries, increased volume and increased installation do not necessarily mean increased profits for the telephone utilities.** In many instances, increased volume can mean less net earnings where the unit cost of servicing the investment exceeds additional unit revenue derived. This is particularly true in sparsely populated areas requiring high investment per station. The same unit profit squeeze may also be evident in meeting demands for higher grades of service; for example, because of rate differentials, where a subscriber who had been receiving four-party service asks for and receives one-party service, the increased revenue per unit may not keep pace with the additional investment and expense.

DEMANDS FOR SERVICE

The telephone companies in North Carolina for several years have been faced with an enormous challenge in meeting demands for up-graded service. At December 31, 1965, customers who had applied for service and who had not been served within thirty days after application numbered 2,735. This compares to 2,931 at December 31, 1964, and is the lowest number of held orders for the past several years.

As more and more telephone service is extended throughout the state, the over-all problem changes somewhat from statisfying demands for service, on which the Commission and the companies have placed special emphasis, to satisfying demands for better quality of service. At year's end, unsatisfied demands for up-graded service were at an all-time high of 22,332. It is believed this peak condition results almost entirely from the Commission's vigorous program of requiring the telephone companies to offer primary service throughout their built-up areas through extensions of their base rate areas in local exchanges. The extension of base rate areas eliminates the mileage surcharge for some customers and reduces it for others. This substantially reduces the over-all monthly cost of telephones for a large number of subscribers and creates an immediate and substantial demand for up-graded service.

EXTENDED AREA SERVICE (EAS)

This is the industry term applied to the extension of toll-free service from one telephone exchange to and from another when a toll charge had theretofore applied between them. Widespread public interest is developing in this field, and the time spent in determining communities of interest, studying costs and revenues to be lost, and sounding subscriber sentiment was considerable in 1965. Extended area service was approved during 1965 in the following exchanges:

Carolina Telephone and Telegraph Company:
Clarkton, Abbotsburg (REA)
Faison, Warsaw, Kenansville, Beaulaville
Tabor City, Loris

Central Telephone Company:
West End and other Moore County Exchanges

Norfolk and Carolina Telephone and Telegraph Company:
Elizabeth City, Edenton, Hertford, Sunbury, Coinjock, Moyock, Manie, South Mills, Welch, Shiloh, Weeksville

Sandhill Telephone Company:
Wagram and Laurinburg

Southern Bell Telephone and Telegraph Company:
Lumberton, Fairmont, Pembroke, Rowland
Reidsville (X of Bell) with Central's X's at Leaksville, Spray and Draper

United Telephone Company of the Carolinas, Inc.:
Aberdeen, Carthage, Pinebluff, Pinehurst, Robbins, Southern Pines
Vass, West End, High Falls

Western Carolina Telephone Company and Westco Telephone Company:
Murphy, Hayesville, Andrews

TELEPHONE RATES

Local exchange rates. These are the monthly charges for basic telephone service as fixed by the Commission. These rates are divided between residential and commercial telephones and are graduated upward from four-party to single-party service. Local exchange rates for a particular company are fixed on a company-wide basis according to the calling scope of the particular exchanges; i.e., the number of telephones in an exchange which a single subscriber may telephone without toll charge. These rate groupings by telephone population are not standard among the companies. Figure No. 25 shows rate groupings with rates for the regulated telephone companies.

The practical result of the foregoing "value of service principle" is that a company's subscribers in an urban area will pay a proportionately higher monthly local exchange rate than the same company's subscribers in a community having a substantially smaller number of telephones that can be called without a toll charge. Thus, unlike electric and natural gas utilities, which have standard rates applicable to a customer classification company-wide, the telephone companies have different rates for basic service depending upon the telephone population or calling scope in the particular exchange. Telephone rates also vary substantially between companies and states. Figure No. 26 shows local service telephone monthly rates for selected exchanges in North Carolina and selected out-of-state exchanges. The out-of-state companies shown were selected mainly because of exchange sizes comparable to North Carolina. The figure permits very few, if any, reasonable comparisons. It does illustrate the wide disparities in rates between companies and states.

Mileage charges. The telephone companies make a monthly mileage charge (generally 63 cents per quarter mile airline measured from the nearest point on the base rate area boundary to the point of installation) for primary service outside the base rate area. No mileage charges are made within the base rate areas, and mileage charges for rural or multi-party service (8 to 10 subscribers on a single line) outside the base rate area are being eliminated as rapidly as possible.

Toll charges. Calls between two separate exchanges are "long distance" or toll charge calls, unless arrangements have been made for extended area (toll free) service. Intrastate toll charges in North Carolina are uniform throughout the state and are as shown on Figure No. 27.

Service connection charges. The Commission also regulates the various service connection charges of telephone companies. An effort has been made to establish uniformity in these charges. Generally, this has been realized. Authorized uniform charges are as follows:

Main stations—each	$8.00
Extension stations—each	$4.00
Moves and changes—each	$4.00

Special charges. Certain special equipment such as key systems and private branch exchange systems require special rates and special consideration by the Commission. These rates are fixed individually on a case-by-case and company-by-company basis and vary widely because of variances in equipment and operating characteristics.

FIGURE 25

TELEPHONE RATES

Monthly Flat Rates by Calling Scope Groupings
For One Party Business and Residential Service
As of June 30, 1965

Company	Calling Scope[a] and Related Monthly Flat Rates									
	1-500		501-1000		1001-2000		2001-4000		4001-8000	
	Business	Residence	Business	Residence	Business	Residence	Business	Residence	Business	Residence
Barnardsville	4.25	2.75								
Carolina Tel. & Tel.			8.75	5.25	10.00	5.50	11.00	6.00	12.00	6.50
Central							10.55	5.70		
Citizens							9.00	5.00		
Concord										
Cooleemee							7.50	5.75		
Denton			7.50	4.75						
Eastern Rowan										
Ellerbe			6.00	4.00						
General (North Carolina)									7.50	4.60
General of the Southeast										
Heins										
Lee							7.00	4.30	7.75	4.70
Lexington										
Lilesville							11.00	6.50		
Mebane Home										
Mooresville									6.10	3.25
Norfolk & Carolina			7.00	4.75	7.50	5.00	8.50	5.00	10.00	5.50
North Carolina					10.00	6.00	11.00	6.50		
North State										
Oldtown										
Randolph			7.10	5.00						
Saluda Mountain	6.50	4.50								
Sandhill									8.50	4.50
Service	7.50	4.75								
Southern Bell					8.50	3.75	9.00	4.00	9.50	4.20
Thermal Belt							9.00	5.75		
United							8.95	4.80	12.75	6.25
Westco	9.65	5.50	10.65	5.75	11.65	6.00	12.65	6.25	13.60	6.50
Western Carolina	12.50	7.05	13.00	7.15	13.50	7.25	14.00	7.35	14.50	7.45

FIGURE 25—Continued

TELEPHONE RATE

Monthly Flat Rates by Calling Scope Groupings
For One Party Business and Residential Service
As of June 30, 1965

Company	Calling Scope[a] and Related Monthly Flat Rates									
	8001-16,000		16,001-32,000		32,001-50,000		60,001-100,000		100,001-150,000	
	Business	Residence	Business	Residence	Business	Residence	Business	Residence	Business	Residence
Barnardsville										
Carolina Tel. & Tel.	13.75	7.25	14.50	7.25	15.00	7.50				
Central	11.50	6.15	12.05	6.35						
Citizens										
Concord	8.50	4.25	9.60	4.75						
Cooleemee										
Denton										
Eastern Rowan	9.80	5.10								
Ellerbe										
General (North Carolina)										
General of the Southeast					11.00	4.25				
Heins	7.50	4.50								
Lee	9.00	5.10	10.50	5.55			12.00	6.00		
Lexington	7.70	4.60								
Lilesville										
Mebane Home			9.00	5.25						
Mooresville										
Norfolk & Carolina										
North Carolina							15.00	7.50		
North State			9.50	4.50						
Oldtown					12.00	6.50				
Randolph										
Saluda Mountain										
Sandhill										
Service										
Southern Bell	10.00	4.40	10.75	4.70	11.50	5.00	14.25	5.35	16.00	5.60
Thermal Belt										
United										
Westco	14.55	6.75	15.50	7.00						
Western Carolina	15.00	7.55	15.50	7.65						

[a] "Calling Scope" is the number of main station telephone and PBX trunks that can be called without paying a toll charge. The above rates are applicable to customers being served from exchanges having a total number of main stations and PBX trunks following within the ranges indicated.

FIGURE NO. 26

LOCAL SERVICE TELEPHONE MONTHLY RATES
Selected Exchanges Serving Cities of 50,000 Population or More (1960 Census)

Company	Exchange and/or City	State	Telephones in L. S. A. as of 6/30/65	Monthly Flat Rates 1-Party Service	
				Business	Residence
North State Telephone Company	High Point	No. C.	44,050	9.50	5.25
Southern Bell Telephone & Telegraph Company	Gadsden	Ala.	34,300	12.00	4.60
General Telephone Co. of the Southeast	Durham	N. C.	51,189	11.00	4.25
General Telephone Co. of Indiana, Inc.	Terre Haute	Ind.	48,157	11.60	5.85
Southern Bell Telephone & Telegraph Company	Asheville	N. C.	62,700	11.50	5.50
Michigan Bell Telephone Company	Jackson	Mich.	60,000	9.05	4.35
Southern Bell Telephone & Telegraph Company	Raleigh	N. C.	91,500	12.00	5.70
New England Telephone & Telegraph Company	Portland	Maine	72,401	17.70	6.95
Southern Bell Telephone & Telegraph Company	Greensboro	N. C.	90,900	12.00	5.70
Southwestern Bell Telephone Company	Corpus Christi	Texas	90,565	13.00	5.00
Southern Bell Telephone & Telegraph Company	Wiston-Salem	N. C.	99,300	12.00	5.70
General Telephone Company of California	San Bernardino	Calif.	103,524	11.50	5.10
Southern Bell Telephone & Telegraph Company	Charlotte	N. C.	175,500	14.25	5.85
Diamond State Telephone Company	Wilmington	Del.	196,000	12.35	6.00

Source: NARUC booklet "Local Service Telephone Rates in the United States," October 1965.
L.S.A. = Local Service Area.

FIGURE NO. 27

NORTH CAROLINA INTRASTATE TELEPHONE TOLL RATES

Effective Feb. 1, 1965

Station to Station

Paid — Collect

Day, Night, Saturday, Sunday and after 8

Rate Mileage	Initial 3 Min.	Add'l Min.	Amt. to be added to Chgs. computed on "Paid Basis"
0– 6	.15	.05	.20
7–10	.20	.06	.15
11–14	.25	.08	.10
15–24	.30	.10	.05
25–32	.35	.11	.00

Paid and Collect

	Day		Night and Saturday		After 8 and Sunday	
Rate Mileage	Initial 3 Mins.	Add'l. Min.	Initial 3 Mins.	Add'l. Min.	Initial 3 Mins.	Add'l. Min.
33–42	.40	.13	.40	.13	.40	.13
43–52	.45	.15	.40	.13	.40	.13
53–64	.50	.16	.45	.15	.45	.15
65–82	.55	.18	.45	.15	.45	.15
83–124	.60	.20	.45	.15	.45	.15
125–148	.65	.21	.50	.16	.50	.16
149–172	.70	.23	.55	.18	.50	.16
173–196	.75	.25	.55	.18	.50	.16
197–220	.80	.26	.60	.20	.50	.16
221–244	.85	.28	.65	.21	.50	.16
245–268	.90	.30	.70	.23	.50	.16
269–292	.95	.31	.70	.23	.50	.16
293–316	1.00	.33	.75	.25	.50	.16
317–354	1.05	.35	.80	.26	.50	.16
355–392	1.10	.36	.85	.28	.55	.18
393–430	1.15	.38	.85	.28	.55	.18
431–468	1.20	.40	.85	.28	.60	.20
469–506	1.25	.41	.90	.30	.60	.20
507–544	1.30	.43	.90	.30	.60	.20

Person to Person

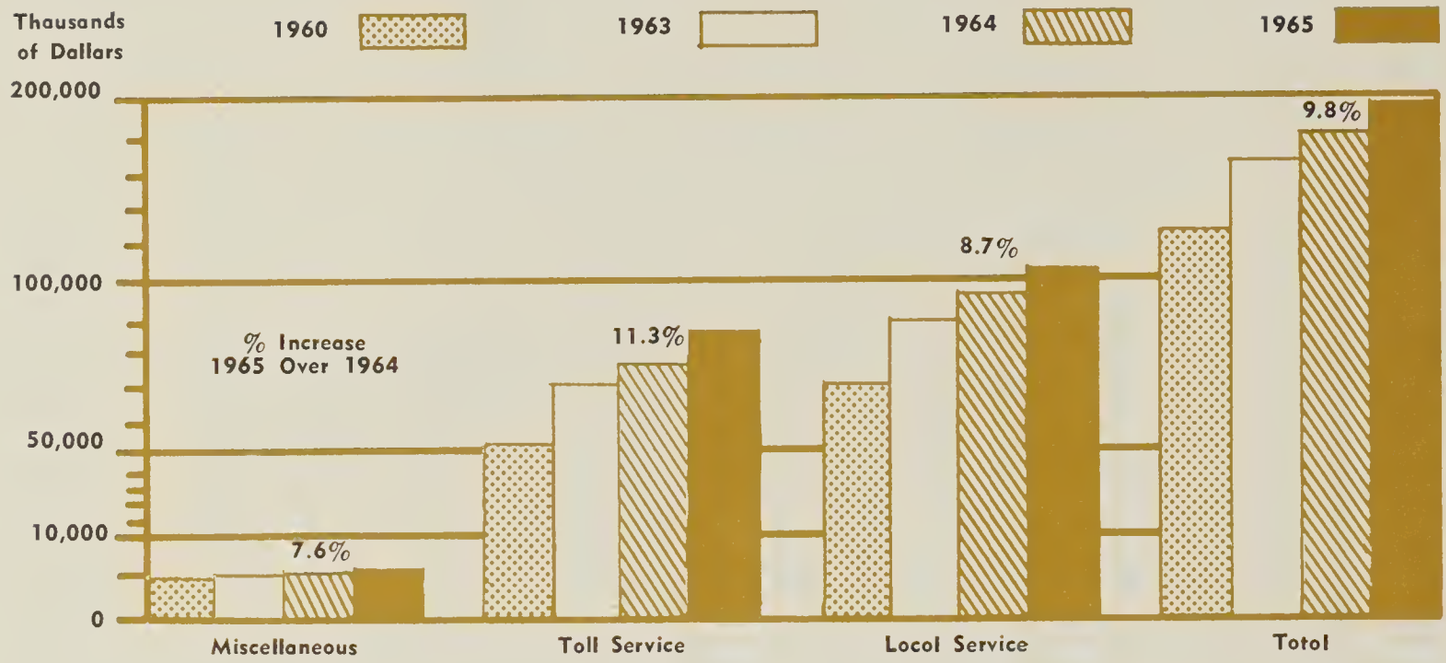
Paid and Collect

	Day			Night and Sunday		
	Initial	Add'l. Min.		Initial	Add'l. Min.	
Rate Mileage	3 Mins.	First 3	After 3	3 Mins.	First 3	After 3
0–6	.35	.11	.05	.35	.11	.05
7–10	.40	.13	.06	.40	.13	.06
11–14	.50	.16	.08	.50	.16	.08
15–24	.60	.20	.10	.60	.20	.10
25–32	.65	.21	.11	.65	.21	.11
33–42	.75	.25	.13	.75	.25	.13
43–52	.85	.28	.15	.80	.26	.13
53–64	.90	.30	.16	.85	.28	.15
65–82	1.00	.33	.18	.90	.30	.15
83–124	1.05	.35	.20	.90	.30	.15
125–148	1.15	.38	.21	1.00	.33	.16
149–172	1.30	.43	.23	1.15	.38	.18
173–196	1.40	.46	.25	1.20	.40	.18
197–220	1.45	.48	.26	1.25	.41	.20
221–244	1.50	.50	.28	1.30	.43	.21
245–268	1.55	.51	.30	1.35	.45	.23
269–292	1.60	.53	.31	1.35	.45	.23
293–316	1.65	.55	.33	1.40	.46	.25
317–354	1.70	.56	.35	1.45	.48	.26
355–392	1.75	.58	.36	1.50	.50	.28
393–430	1.80	.60	.38	1.50	.50	.28
431–468	1.85	.61	.40	1.55	.51	.28
469–506	1.90	.63	.41	1.60	.53	.30
507–544	1.95	.65	.43	1.65	.55	.30

FIGURE 28

TELEPHONE COMPANIES

Operating Revenues and Sources
With Per Cent Increase 1965 Over 1964
(North Carolina Data Only)



SOURCE AND DISPOSITION OF REVENUES

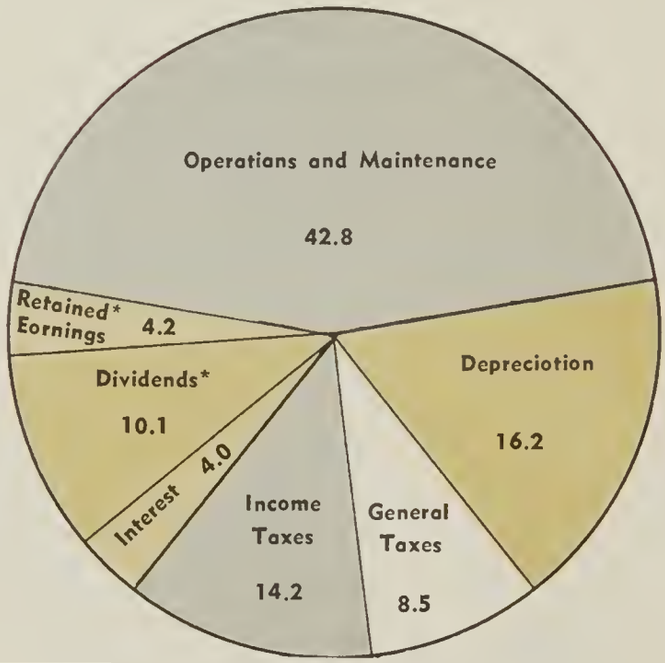
The telephone companies derived about 52 per cent of their revenues for the year 1965 from charges for local service with the remaining 48 per cent coming primarily from toll charges. This division of source of revenue is about the same as in prior years. Total revenues were up 9.8 per cent in 1965 over 1964. See Figure No. 28 for source of operating revenues for the period 1960-1965.

Operation and maintenance expenditures in 1965 were equal to 42.8 cents of each revenue dollar collected by the telephone companies. Depreciation and income taxes accounted for the next two (2) largest shares of the revenue dollar, depreciation expense amounting to 16.2 cents and income taxes 14.2 cents. General dividends to the shareholders amounted to 10.1 cents of each dollar while general taxes required 8.5 cents. Interest or fixed charges and retained earnings received almost an equal amount of each revenue dollar, the former requiring 3.9 cents and the latter receiving 4.2 cents. Figure No. 29 shows graphically the disposition of the revenue dollar; this distribution is very much the same as it was for the year 1964.

FIGURE 29

DISPOSITION OF THE REVENUE DOLLAR

TELEPHONE COMPANIES
North Carolina Operations Only
December 31, 1965



* Retained Earnings and dividends per revenue dollar have no relatian ta the rate of return earned an investment.

PLANT INVESTMENT

The regulated telephone companies increased their gross plant investment in North Carolina by $70,007,422 in 1965, an increase of 11.3 per cent over 1964. The additional investment raises total gross plant allocated to North Carolina operations to over 690 million dollars or the equivalent of 442 dollars per telephone based on year end count. Figure No. 30 shows plant investment per telephone for the period 1960-1965 on a North Carolina industry-wide basis and Figure No. 31 shows the same data for each of the regulated telephone companies operating in North Carolina.

STATISTICAL SUMMARY DATA

Total telephone operating revenues increased $17,630,058 or 9.8 per cent in 1965, reaching a total of $197,782,629. Operating expenses increased at a rate of 9.7 per cent. Net operating income increased $3,280,976, or 10.0 per cent.

The telephone utilities' largest operating expense item was $68,423,000 for salaries and wages which was 42.3 per cent of their operating expenses, and income taxes ($42,633,718) was the next largest item. Total employees in the telephone industry rose by 761 (6.6 per cent) to a total of 12,324 at December 31, 1965. A detailed account of these items is shown on Figure No. 32.

FIGURE 30

TELEPHONE COMPANIES—PLANT INVESTMENT PER TELEPHONE
With Per Cent Increase 1965 Over 1964
(North Carolina Data Only)

FIGURE NO. 31

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS

For the Years Ended December 31, 1965, 1964, 1963 and 1960

(N. C. Data only unless otherwise noted)

CLASS A & B	N. C. Gross Telephone Plant (In service, under construction future use) Year End						Depreciation Reserve (Year End)	
	1965		1964	1963	1960		1965	
	Total	Per Phone[3]	Per Phone[3]	Total	Total	Total	Total	Per Phone[3]
Carolina Telephone and Telegraph Company	157,148,019	556.81	535.67	140,228,581	126,469,000	100,548,000	40,499,817	143.50
Central Telephone Company	32,266,754	394.32	386.11	29,395,442	26,500,202	19,587,940	6,045,605	73.88
Citizens Telephone Company	3,381,404	571.56	536.17	2,841,706	2,161,000	1,140,000	394,619	66.70
Concord Telephone Company	14,835,244	334.96	324.57	13,597,069	11,851,000	9,001,000	3,525,174	79.59
Eastern Rowan Telephone Company	1,353,216	477.83	412.17	1,099,270	959,469	780,905	354,173	125.06
General Telephone Company of N. C.	3,522,426	378.51	354.38	3,172,463	2,788,386	1,885,871	772,529	83.01
General Telephone Company of the Southeast	20,914,285	373.16	338.82	17,750,577	16,142,577	11,664,986	4,617,515	82.39
Heins Telephone Company	5,565,398	493.96	317.54	3,365,612	2,962,000	2,390,000	790,044	70.12
Lee Telephone Company	3,732,805	407.11	386.76	3,314,548	3,005,000	2,288,000	1,102,227	120.21
Lexington Telephone Company	4,370,841	364.05	357.41	3,982,959	3,625,000	2,653,000	1,308,988	109.03
Mebane Home Telephone Company	1,318,123	512.68	477.77	1,142,829	1,092,000	595,000	278,802	108.44
Mooresville Telephone Company	1,503,537	276.84	282.14	1,416,081	1,108,092	900,365	554,270	102.06
Morris Telephone Company	4,648,518	443.52	397.05	4,024,113	2,546,728	1,766,665	388,625	37.08
Norfolk & Carolina Telephone & Telegraph Company	9,066,330	483.36	474.29	8,431,927	7,638,648	4,976,875	2,284,150	121.78
North Carolina Telephone Company	7,775,293	642.80	626.05	6,920,302	6,419,387	4,466,318	1,619,075	133.85
North State Telephone Company	15,292,866	320.64	293.94	13,206,890	11,500,000	8,915,000	4,607,439	96.60
Oldtown Telephone System, Inc.	4,415,506	497.69	538.29	4,182,534	3,009,967	1,929,169	859,549	96.88
Sandhill Telephone Company	776,713	445.62	394.95	622,841	493,523	379,234	213,291	122.37
Southern Bell Telephone and Telegraph Company	370,284,153	419.57	409.78	337,501,149	307,285,000	241,385,000	78,495,754	88.95
Thermal Belt Telephone Company	1,763,500	470.26	451.47	1,591,427	1,567,000	1,061,000	330,048	88.01
United Telephone Company of the Carolinas, Inc.	9,769,041	429.52	382.14	8,019,914	6,869,548	5,106,405	1,532,725	67.39
Western Carolina Telephone Company	8,674,004	560.01	498.04	7,272,343	6,846,833	7,189,949	2,019,926	130.41
Westco Telephone Company	5,997,021	688.60	693.90	5,635,845	4,754,452	NA	800,307	91.89
Totals—Class A & B	688,374,997	442.48W/a	426.43W/a	618,716,422	557,594,812	430,610,682	153,394,652	98.60W/a
CLASS C & D								
Barnardsville Telephone Company	57,958	197.81	195.48	54,343	50,000	44,000	17,211	58.74
Cooleemee Telephone Company	182,371	245.45	235.25	166,790	157,222	99,844	53,927	72.58
Denton Telephone Company	247,754	272.25	278.10	233,887	209,103	159,313	88,069	96.78
Ellerbe Telephone Company	221,765	298.47	280.46	199,969	184,741	146,681	91,584	123.26
*Knotts Island Telephone Company	64,981	1353.77	298.66	14,037	13,906	13,777	9,406	195.96
Lilesville Telephone Company	91,415	202.69	209.95	89,647	86,688	55,322	37,701	83.59
Randolph Telephone Company	970,506	694.71	550.53	737,160	580,200	391,800	145,226	103.96
Saluda Mountain Telephone Company	29,622	79.42	82.74	29,622	NA	NA	18,690	50.12
Service Telephone Company	148,441	317.18	309.50	140,511	138,644	125,761	39,935	85.33
Totals—Class C & D	2,014,813	371.32W/a	321.98W/a	1,665,966	1,420,504	1,036,498	501,749	92.47W/a
Grand Totals	690,389,810	442.23W/a	426.06W/a	620,382,388	559,015,316	431,647,180	153,896,401	98.58W/a

* Acquired by Princess Anne Telephone Company of Virginia 8/10/64 Doc. P-28, Sub. 4

[1] Data from Company annual reports compiled by Commission accounting staff.

[2] REA Borrowers.

[3] Based on number of regular telephones in service at year end.

W/a—Weighted Average

S/a—Simple Average

NA—Not Available

FIGURE NO. 31—Continued

GROSS AND NET TELEPHONE PLANT ALLOCATED TO NORTH CAROLINA OPERATIONS

For the Years Ended December 31, 1965, 1964, 1963 and 1960

(N. C. Data only unless otherwise noted)

Depreciation Reserve (Year End)						N. C. Net Telephone Plant (Year End)			
1964		1963	1960	1965		1964		1963	1960
Per Phone[3]	Total	Total	Total	Total	Per Phone[3]	Per Phone[3]	Total	Total	Total
142.19	37,222,659	33,246,000	23,008,000	116,648,202	413.31	393.48	103,005,922	93,223,000	77,540,000
70.94	5,398,820	4,977,160	3,342,060	26,221,149	320.45	314.30	23,996,622	21,523,042	16,245,880
50.21	266,142	242,000	217,000	2,986,785	504.86	485.95	2,575,564	1,919,000	923,000
75.44	3,160,374	2,780,000	1,903,000	11,310,070	255.36	248.13	10,436,695	9,071,000	7,098,000
120.75	322,049	304,378	220,455	999,043	352.77	291.42	777,221	655,091	560,450
78.53	703,028	588,211	356,441	2,749,897	295.49	275.85	2,469,435	2,200,175	1,529,430
80.40	4,212,062	3.870,956	2,888,113	16,296,770	290.78	258.42	13.538,515	12,271,621	8,776,873
73.84	782,584	635,000	445,000	4,775,354	423.84	243.70	2,583,028	2,327,000	1,945,000
113.35	971,419	867,000	623,000	2,630,578	296.57	273.41	2,343,129	2,138,000	1,665,000
104.45	1,163,961	1,031,000	694,000	3,061,853	255.03	252.96	2,818,998	2,594,000	1,959,000
97.70	233,692	193,000	121,000	1,039,321	404.24	380.07	909,137	899,000	474,000
96.90	486,368	425,737	291,097	949,267	174.79	185.24	929,713	682,355	609,268
35.84	363,266	678,486	445,307	4,259,893	406.44	361.21	3,660,847	1,868,242	1,321,358
115.22	2,048,325	1,832,212	1,551,152	6,782,180	361.58	359.07	6,383,602	5,806,436	3,425,723
128.75	1,422,950	1,301,263	746,404	6,156,218	508.95	497.41	5,497,352	5,118,124	3,719,914
91.59	4,115,140	3,668,000	2,593,000	10,685,427	224.04	202.35	9,091,750	7,832,000	6,322,000
92.97	722,390	593,495	307,167	3,555,957	400.80	445.32	3,460,144	2,416,472	1,622,002
116.18	183,218	161,098	98,527	563,422	167.41	278.77	439,623	332,425	280,707
84.70	69,763,647	63,249,000	46,727,000	291,788,399	330.63	325.08	267,737,502	244,036,000	194,658,000
74.78	263,600	242,000	31,000	1,433,452	382.25	376.69	1,327,827	1,325,000	1,030,000
64.57	1,355,186	1,174,682	825,005	8,236,316	362.13	317.56	6,664.728	5,694,866	4,281,400
117.74	1,719,285	1,525,070	1,445,782	6,654,078	429.60	380.29	5,553,058	5,321,763	5,744,167
78.78	639,817	604,025	NA	5,196,714	596.70	615.12	4,996,028	4,150,427	NA
94.78W/a	137,519,982	124,189,773	88,879,510	534,980,345	343.88W/a	330.47W/a	481,196,440	433,405,039	341,731,172
52.37	14,560	12,000	8,400	40,747	139.07	143.10	39,783	38,000	35,600
66.19	46,926	40,446	25,394	128,444	172.87	169.06	119,864	116,776	74,450
90.61	76,209	67,220	39,917	159,685	175.47	187.49	157,678	141,883	119,396
113.62	81,013	71,886	47,622	130,181	175.20	166.84	118,956	112,855	99,059
182.72	8,588	7,779	5,366	55,575	1157.81	115.94	5,449	6,127	8,411
78.04	33,323	29,052	19,396	53,714	119.10	131.91	56,324	57,636	35,926
89.76	120,190	98,900	43,300	825,280	590.75	460.77	616,970	481,300	348,500
46.21	16,543	NA[1]	NA	10,932	29.31	36.53	13,079	NA	NA
78.19	35,497	29,165	14,877	108,506	231.85	231.53	105,014	109,479	110,884
83.79W/a	432,849	356,448	204,272	1,513,064	278.85W/a	238.69W/a	1,233,117	1,064,056	832,226
94.74W/a	137,952,831	124,546,221	89,083,782	536,493,409	343.65W/a	331.32W/a	482,429,557	434,469,095	342,563,398

FIGURE NO. 32

TELEPHONE COMPANIES—CLASSES A, B, C AND D

Summary of Selected Income, Expense, Balance Sheet and Customer Statistics

For the Calendar Years of 1960, 1963, 1964 and 1965

(North Carolina Data Only Unless Otherwise Noted)

Item	Years				Per Cent Change More (Less)	
	1960	1963	1964	1965	1963 to 1964	1964 to 1965
Number of Companies Regulated	34	34	34	32		
Number Included in this data	34	34	34	32		
Income Items (N. C. Only):						
Local Service Revenue	$ 70,625,305	$ 89,326,036	$ 95,224,051	$ 103,539,982	6.6	8.7
Toll Service Revenue	53,179,613	70,341,054	77,850,719	86,629,437	10.7	11.3
Miscellaneous Revenue Less Uncollectibles	4,743,075	6,358,018	7,077,801	7,613,210	11.3	7.6
Total Operating Revenues	$ 128,547,993	$ 166,025,108	$ 180,152,571	$ 197,782,629	8.5	9.8
Expense Items:						
Maintenance Expense	$ 19,755,479	$ 25,417,329	$ 28,400,518	$ 31,723,199	11.7	11.7
Depreciation	19,050,795	25,370,198	27,553,438	32,057,147	8.6	16.3
Traffic	15,722,284	17,608,948	19,223,896	21,268,162	9.2	10.6
Taxes:						
State Income Taxes	$ 2,062,046	$ 2,868,923	$ 3,243,988	$ 3,376,780	13.1	4.1
State Gross Receipts Taxes	Not Applicable	Not Applicable	8,402,736	9,151,524	Not Applicable	8.9
Federal Income Tax on N. C. Income	17,892,971	24,118,883	24,388,132	24,278,856	1.1	(.4)
Local Property Taxes	Not Applicable	Not Applicable	5,282,222	5,826,558	Not Applicable	10.3
Total Taxes	$ 19,955,017	$ 26,987,806	$ 41,317,078	$ 42,633,718	Not Applicable	3.2
Total Operating Expenses	106,486,043	135,800,723	147,403,147	161,752,229	8.5	9.7
Net Operating Revenue	$ 22,061,950	$ 30,224,385	$ 32,749,424	$ 36,030,400	8.4	10.0
Balance Sheet Items (N. C. Only):						
Utility Plant (Gross)—Year End[1]	$ 431,647,180	$ 559,015,316	$ 620,382,388	$ 690,389,810	11.0	11.3
Depreciation Reserve	89,083,782	124,546,221	137,952,831	153,896,401	10.8	11.6
Utility Plant (Net)—Year End[1]	$ 342,563,398	$ 434,469,095	$ 482,429,557	$ 536,493,409	11.0	11.2
Balance Sheet Items (System-wide):						
Long-Term Debt	$ 705,568,813	$ 872,769,043	$ 954,378,116	$1,110,036,687	9.4	16.3
Total Capitalization	$2,242,115,412	$2,882,827,608	$3,161,637,938	$3,494,773,751	9.7	10.5
Long-Term Debt Per Cent of Total Capitalization (Including Southern Bell)	30.3[2]	30.3[2]	30.2[2]	31.8[2]	(.3)	5.3
Long Term Debt Per Cent of Total Capitalization (Excluding Southern Bell)	44.3[2]	46.6[2]	45.8[2]	46.4[2]	(1.7)	1.3

[1] Utility Plant includes plant in service & under construction.

[2] Weighted Average.

FIGURE NO. 32—Continued

TELEPHONE COMPANIES—CLASSES A, B, C AND D

Summary of Selected Income, Expense, Balance Sheet and Customer Statistics

For the Calendar Years of 1960, 1963, 1964 and 1965

(North Carolina Data Only Unless Otherwise Noted)

Item	Years				Per Cent Change More (Less)	
	1960	1963	1964	1965	1963 to 1964	1964 to 1965
Statistics (N. C. Only):						
Telephones in Service—Year End:						
Residence—Mains	694,189	797,978	843,459	891,622	5.7	5.7
—Extensions	152,432	206,406	231,986	262,804	12.4	13.3
Totals	846,621	1,004,384	1,075,445	1,154,426	7.1	7.3
Business—Mains	113,949	129,014	134,631	140,054	4.4	4.0
—Extensions	81,036	99,305	107,091	115,478	7.8	7.8
Totals	194,985	228,319	241,722	255,532	5.9	5.7
Coin Operated, PBX Units and Special Service	128,716	155,172	163,371	178,416	5.3	9.2
Grand Totals of all Telephones in Service	1,170,322	1,387,875	1,480,538	1,588,374	6.7	7.3
Annual Average Number of Calls Per Telephone (Class A & B Only):						
Local	2,367	2,306	2,143	2,213	(7.1)	3.3
Toll	55	61	56	64	(8.2)	14.3
Total Average Number of Employees	10,393	10,973	11,563	12,324	5.4	6.6
Total Wages and Benefits Paid Employees (Estimated)	$ 47,267,364	$ 56,818,194	$ 62,613,645	$ 68,423,000	10.2	9.3
Average Annual Wages and Benefits Paid Employees	$ 4,548	$ 5,178	$ 5,415	$ 5,552	4.6	2.5

V. The Transportation Industry - Motor

V. THE TRANSPORTATION INDUSTRY—MOTOR

There were 615 motor freight carriers, 62 motor passenger carriers, 2 boat companies, and 4 motor passenger brokers under regulation of the North Carolina Utilities Commission as of December 31, 1965. In addition, the Commission regulates the rate but not the certification or service of the 11 intracity motor carriers of passengers. Also, the Commission issues certificates of exemption to motor carriers engaged in transporting passengers or commodities which are exempted from regulation either by statute or by administrative ruling of the Commission. Certificates of exemption are also issued to persons who own equipment for the purpose of leasing it. These exemption certificates, of which there are some 6,750 outstanding, are issued pursuant to the requirements of Article 2 of the Commission's Motor Carrier Regulations. The issuance thereof constitutes approval by the Commission of the purchase from the Department of Motor Vehicles of "for hire" license plates for vehicles owned by and registered in the name of the party to whom such certificate of exemption is issued, and they are of substantial value to the Commission in determining the nature and extent of the transportation industry and in enforcing laws, rules, and regulations against illegal operations.

Motor Freight Carriers

Commission Activity—The volume of formal type Commission hearings and investigative matters for the trucking industry exceeded those of any other regulated utility group. During 1965, 49.5 per cent of the formal hearings related to the trucking industry.

The net result of the formal and informal truck proceedings before the Commission, so far as the number of franchises and permits outstanding as of December 31, 1965, was a decrease of four (4) from 619 to 615 composed of the following types:

Common	516
Contract	73
Common and Contract	20
Railroad Motor	6
Total	615

The change in the number of franchises outstanding at year end by a decrease of four (4) was accompanied by many other kinds of changes during 1965 such as:

New Certificates and Permits Granted	13
Certificates and Permits Cancelled	14
Certificates and Permits Sold or Transferred	21
Certificates and Permits Purchased	18
Name Changes of Motor Freight Carriers	14

PARTICIPATION IN IMPORTANT ICC DOCKET NO. 34401—**ICC DOCKET NO. 34401**—MIDDLE ATLANTIC CONFERENCE V. AAA MOTOR LINES, INC., ET AL. This cause arose upon complaint filed by the Middle Atlantic Conference on behalf of its member motor carriers concerning an ICC decision in a previous proceeding and certain tariff provisions. The complaint, if allowed, would have resulted in higher motor freight rates for North Carolina shippers and receivers. The Utilities Commission intervened to protect the Southern Territory rates and many statements of rates were prepared by the Traffic Department to be used in the proceedings. After extensive hearings, the complainant was not able to prove its contentions, and the ICC dismissed the proceeding resulting in the rate structure remaining unchanged.

Statistical Summary Data. Motor freight carriers are divided into groups according to annual gross revenue. These groups and the number of carriers in each are:

Class I —Motor freight carrier having $1,000,000 or more annual operating revenues (54 carriers)

Class II —Motor freight carrier having $200,000 to $1,000,000 annual operating revenues (62 carriers)

Class III—Motor freight carrier having under $200,000 annual operating revenues (499 carriers)

Fifty-four (54) Class I carriers and sixty-two (62) Class II carriers also operate in interstate commerce in North Carolina. Class III carriers predominantly operate only in intrastate commerce.

Vehicle miles operated in North Carolina by the 170 Class I, II, and III motor freight carriers included in the statistical data totalled 222,986,014 miles, an increase over the 1964 figure for these same carriers of 17,464,708 or 8.5 per cent.

Figure No. 33 shows graphically the yearly upward trend in vehicle miles operated for the period 1960-1965 by the 54 Class I and 62 Class II motor freight carriers.

Operating revenues allocated to North Carolina operations for the 170 motor freight carriers of all three classes increased in 1965 over 1964 by 13.6 per cent, rising from $119,988,179 to $136,259,694.

Operating expenses for the same carriers on a system-wide basis increased 11.6 per cent or at a somewhat lower rate, thereby resulting in a slight improvement in the system-wide operating ratio which decreased from 94.70 per cent in 1964 to 93.92 per cent in 1965.

Figure No. 34 shows graphically the yearly upward trend in operating revenues allocated to North Carolina operations of the 16 Class I and II motor freight carriers.

Additional statistical data for 170 of the 615 Class I, II, and III motor freight carriers operating in North Carolina is shown in Figure No. 35.

A list of the Class I and II motor freight carriers with selected operating financial data is shown in Figure Nos. 35A and 35B.

FIGURE NO. 35

MOTOR FREIGHT CARRIERS—CLASSES I, II AND III

Summary of Selected Income Items and Operational Statistics

For the Calendar Years of 1963, 1964 and 1965

(North Carolina and System-wide Data Noted)

Item	Class I Carriers ($1,000,000 or More—Operating Revenues) 1963	1964	1965	Per Cent Change More (Less) 1964 to 1965	Class II Carriers ($200,000 to $1,000,000—Operating Revenues) 1963	1964	1965	Per Cent Change More (Less) 1964 to 1965
Number of Companies Regulated[A]	54	54	54		62	62	62	
Number Included in this Data:[A]								
Interstate Operator(s)	54	54	54		62	62	62	
Intrastate Operator(s)	0	0	0		0	0	0	-0-
Operating Revenue (N. C. Portion)	$ 90,769,349	$100,438,731	$115,553,466	15.0	$ 14,381,508	$ 15,503,201	$ 16,334,619	5.4
Income Items (System-wide):								
Operating Revenue	$422,173,555	$473,858,343	$533,817,120	12.7	$ 30,683,439	$ 32,594,675	$ 36,283,651	11.3
Operating Expenses	398,721,680	448,714,633	501,575,958	11.8	28,986,257	30,957,231	33,894,755	9.5
Net Operating Revenue	$ 23,451,875	$ 25,143,710	$ 32,241,162	28.2	$ 1,697,182	$ 1,637,444	$ 2,388,896	45.9
Operating Ratio	94.21	94.69	93.96	(.8)	94.47	94.97	93.41	(1.6)
Other Income or (Deductions)—Net—Including Income Taxes	(10,467,309)	(12,009,536)	(14,618,479)	21.7	(434,962)	(330,542)	(368,945)	11.6
Net Income—(after income taxes)	12,984,566	13,134,174	17,622,683	34.2	1,262,220	1,306,902	2,019,951	54.6
Statistics (N. C. Data Only):								
Total Vehicle Miles Operated	145,117,532	156,168,174	173,556,480	11.1	37,115,970	37,936,270	37,528,982	(1.1)
Total Gallons Gasoline Purchased or Consumed in N. C.	9,193,037	10,501,283	8,867,835	(15.6)	3,055,918	3,484,643	2,781,725	(20.2)
Total Gallons Diesel Fuel Purchased or Consumed in N. C.	20,743,815	24,779,430	32,957,824	33.0	3,180,480	4,641,636	4,721,120	1.7
Gasoline, Other Fuel and Oil Taxes Paid in N. C.	$ 1,954,793	$ 2,131,953	$ 2,365,751	11.0	$ 405,787	$ 386,499	$ 440,631	14.0
N. C. Vehicle License & Registration Fees	3,497,513	3,910,256	4,289,673	9.7	636,769	661,733	730,816	10.4
Real Estate and Personal Property Taxes	502,042	570,678	651,471	14.2	90,230	109,242	135,321	23.9
Total Operating Taxes, Other Taxes and License and Registration Fees Paid to N. C.	$ 6,422,170	$ 7,063,240	$ 7,775,413	10.1	$ 1,294,349	$ 1,369,223	$ 1,459,551	6.6
Statistics (System-wide Data):								
Total Vehicle Miles Operated	691,446,194	761,126,905	842,711,013	10.7	71,252,104	75,684,010	78,358,143	3.5
Tons of Revenue Freight Hauled during year	21,256,470	25,435,419	27,407,446	7.8	6,006,207	6,295,235	6,915,027	9.8
Average Freight Revenue Per Ton—High-Low Range	$184.45-$2.58	$197.91-$2.43	$206.15-$2.52	Not Applicable	$199.32-$ .45	$188.68-$ .42	$199.43-$ .42	NA
Average Number of Vehicles Operated Daily	11,246	12,171	11,956	(1.8)	1,200	1,430	1,463	2.3

A These numbers change yearly from previous reports due to reclassification of carrier based on changes in gross operating revenues.

FIGURE NO. 35—Continued

MOTOR FREIGHT CARRIERS—CLASSES I, II AND III

Summary of Selected Income Items and Operational Statistics

For the Calendar Years of 1963, 1964 and 1965

(North Carolina and System-wide Data Noted)

Item	Class III Carriers (Under $200,000—Operating Revenues) 1963	1964	1965	Per Cent Change More (Less) 1964 to 1965	Grand Totals 1963	1964	1965	% Change More (Less) 1964 to 1965
Number of Companies Regulated[A]	501	503	499		617	619	615	
Number Included in this Data:[A]								
Interstate Operator(s)	10	10	10		126	126	126	
Intrastate Operator(s)	44	44	44		44	44	44	
Operating Revenue (N. C. Portion)	$ 3,780,727	$ 4,046,247	$ 4,371,609	8.0	$108,931,584	$119,988,179	$136,259,694	13.6
Income Items (System-wide):								
Operating Revenue	$ 3,780,727	$ 4,046,247	$ 4,371,609	8.0	$456,637,721	$510,499,265	$574,472,380	12.5
Operating Expenses	3,513,491	3,757,256	4,079,164	8.6	431,221,428	483,429,120	539,549,877	11.6
Net Operating Revenue	267,236	288,991	292,445	1.2	25,416,293	27,070,145	34,922,503	29.0
Operating Ratio	92.93	92.85	93.31	.5	94.43	94.70	93.92	(.8)
Other Income or (Deductions)—Net—Including Income Taxes	(26,445)	(29,343)	(49,753)	69.6	(10,928,716)	(12,369,421)	(15,037,177)	21.6
Net Income—(after income taxes)	240,791	259,648	242,692	(6.5)	14,487,577	14,700,724	19,885,326	35.3
Statistics (N. C. Data Only):								
Total Vehicle Miles Operated	10,028,861	11,416,862	11,900,552	4.2	192,262,363	205,521,306	222,986,014	8.5
Total Gallons Gasoline Purchased or Consumed in N. C.	1,324,292	1,281,257	1,156,263	(9.8)	13,573,247	15,267,183	12,805,823	(16.1)
Total Gallons Diesel Fuel Purchased or Consumed in N. C.	469,922	619,228	648,467	4.7	24,394,217	30,040,294	38,327,411	27.6
Gasoline, Other Fuel and Oil Taxes Paid in N. C.	$ 94,627	$ 142,547	$ 148,847	4.4	$ 2,455,207	$ 2,660,999	$ 2,955,229	11.1
N. C. Vehicle License & Registration Fees	152,318	176,916	183,378	3.7	4,286,600	4,748,905	5,203,867	9.6
Real Estate and Personal Property Taxes	13,768	28,239	30,010	6.3	606,040	708,159	816,802	15.3
Total Operating Taxes, Other Taxes and License and Registration Fees Paid to N. C.	$ 270,264	$ 358,074	$ 380,203	6.2	$ 7,986,783	$ 8,790,537	$ 9,615,167	9.4
Statistics (System-wide Data):								
Total Vehicle Miles Operated	10,028,861	11,416,862	11,900,552	4.2	772,727,159	848,227,777	932,969,708	10.0
Tons of Revenue Freight Hauled during year	1,007,005	1,140,409	1,224,661	7.4	28,269,682	32,871,063	35,547,134	8.1
Average Freight Revenue Per Ton—High-Low Range	$203.00-$ .85	$246.82-$1.13	$292.80-$ .90	NA	NA	NA	NA	
Average Number of Vehicles Operated Daily	215	265	281	6.0	12,661	13,866	13,700	(.7)

A These numbers change yearly from previous reports due to reclassification of carrier based on changes in gross operating revenues.

FIGURE 33

MOTOR FREIGHT CARRIERS—CLASS I & II

Vehicle Miles Operated In North Caralina
With Tatal Per Cent Increase 1965 Over 1964

FIGURE 34

MOTOR FREIGHT CARRIERS—CLASS I & II

Operating Revenues Allacated Ta North Carolina
With Tatal Per Cent Increase 1965 Over 1964

FIGURE NO. 35A

MOTOR FREIGHT CARRIERS—CLASS I

Income, Expense, Operating Ratio and Net Income Data for the Years Ended December 31, 1965, 1964, 1963 and 1960

(North Carolina and Total System)

Class I Motor Carriers	Operating Revenues in North Carolina				Total Operating Revenues			
	1965	1964	1963	1960	1965	1964	1963	1960
Akers Motor Lines	$ 5,576,826	$ 4,863,984	$ 4,336,034	$ 3,457,596	$ 28,766,543	$ 25,518,256	$ 23,318,657	$ 18,481,815
Associated Petroleum Carriers	1,766,694	1,576,529	1,679,000	1,776,000	7,411,332	7,659,637	7,810,000	6,505,000
Barnes Truck Lines Inc.	506,510	616,671	538,088	444,878	1,516,770	1,735,636	1,434,520	1,132,870
Billings Transfer Corporation	459,743	407,205	451,000	270,000	1,606,369	1,409,013	1,257,000	1,043,000
A. G. Boone	2,449,332	2,355,087	2,197,257	1,920,078	4,532,247	4,473,100	3,835,323	3,421,013
Carolina Delivery Service Co.	1,046,816	1,038,070	982,000	745,000	1,442,491	1,346,960	1,263,000	941,000
Carolina Freight Carriers Corp.	5,911,265	4,237,774	3,757,000	2,687,000	29,881,021	24,678,582	22,090,000	15,730,000
Carolina-Norfolk Truck Lines	2,154,983	1,893,566	1,638,728	1,092,824	2,536,169	2,239,316	1,956,457	1,382,064
Central Motor Lines Inc.	4,782,817	4,365,614	4,062,000	3,387,000	18,629,901	16,869,004	15,799,000	12,668,000
Colonial Motor Freight	872,023	750,064	1,213,264	714,969	3,474,195	3,083,384	2,872,991	1,636,304
L. G. DeWitt	190,569	159,106	NA	145,579	1,706,645	1,658,488	1,592,186	1,070,101
Fowler, R. D. Motor Lines	428,064	383,184	370,288	304,541	1,151,966	1,057,607	1,002,771	793,386
Frederickson Motor Express	4,539,651	4,079,663	3,605,000	2,809,000	4,539,651	4,079,663	3,605,000	2,809,000
G & H Transit Company Inc.	647,856	678,733	648,000	603,000	1,113,154	1,163,010	1,113,000	952,000
Glossom Motor Lines	1,254,966	964,284	NA	NA	4,971,349	4,152,816	NA	NA
Harper Motor Lines	493,514	443,953	462,000	421,000	7,020,113	6,106,640	5,296,000	3,860,000
Helms Motor Express Inc.	3,241,481	2,859,535	2,768,564	1,978,383	3,241,481	2,859,535	2,768,564	1,978,383
Hennis Freight Lines Inc.	7,672,043	6,138,060	5,111,000	3,221,000	50,943,183	44,582,075	36,507,000	20,839,000
Hyder, Clay Trucking Lines	243,314	329,222	305,606	170,966	3,412,535	2,815,259	3,150,586	2,586,471
Johnson Motor Lines	4,929,729	4,341,299	4,114,000	2,310,000	28,038,363	24,890,864	23,910,000	10,082,000
Mangum Transport Inc.	232,799	174,965	144,773	104,880	1,169,079	1,029,205	965,153	873,858
Mitchell Transport Inc.[3]	103,415	89,206	11,496	0	10,240,392	7,058,313	6,153,995	0
McLean Trucking Company	7,347,111	6,629,824	6,192,271	4,887,280	69,078,153	59,369,806	53,966,538	34,566,374
Miller Motor Express	1,935,820	1,787,132	1,841,000	1,930,438	6,606,895	6,248,715	6,267,000	6,661,000
Morgan Drive Away Inc.	278,043	233,831	124,825	27,297	13,701,095	12,338,212	10,837,113	5,632,849
Moss Trucking Company Inc.	477,281	370,094	335,769	179,286	1,534,665	1,289,527	1,095,851	582,067
National Trailer Convoy Inc.	247,083	136,443	150,199	64,651	12,847,404	11,088,791	10,114,053	5,444,522
New Dixie Lines Inc.	3,337,143	3,157,982	2,728,814	2,202,316	7,024,055	6,270,636	5,249,739	4,112,634
Northeastern Trucking Co.	452,676	405,242	395,289	251,552	2,566,917	2,277,919	2,156,464	1,433,347
North State Motor Lines Inc.	376,645	371,865	385,385	387,340E	999,119	1,040,438	1,111,715	1,117,220
The Observer Transportation Co.	963,324	864,621	838,000	645,000	1,227,791	1,181,177	1,156,000	1,024,000
O'Boyle Tank Lines Inc.	582,708	530,210	455,286	290,900	5,838,177	5,443,034	5,214,598	871,088
Old Dominion Freight Lines[2]	3,202,333	2,504,171	2,509,000	0	4,825,698	4,354,323	4,019,000	0
Overnite Transportation Co.	12,230,163	10,252,548	8,800,893	6,739,912	30,667,410	23,667,008	20,929,591	15,345,884
Petroleum Carrier Corporation	94,974	101,227	89,900	100,905	2,813,001	3,794,053	89,900	100,905
Pilot Freight Carriers	6,687,138	6,359,477	5,662,195	4,159,730	23,942,492	22,519,393	20,164,512	15,697,096
R. C. Motor Lines	2,841,765	1,713,931	1,456,397	842,491	16,759,742	15,264,571	13,401,032	10,041,609
*Ryder Truck Lines Inc.	5,209,112	5,215,310	4,869,367	3,468,882	48,547,182	50,602,574	48,529,135	32,572,351
S & W Motor Lines	840,956	951,536	722,432	497,254	3,265,806	3,052,780	2,761,592	1,819,442
Seacoast Transportation Co.[1]	47,459	29,464	46,000	0	1,645,019	1,423,145	1,295,000	0
Shamrock Van Lines Inc.	282,827	167,258	134,553	86,086	4,654,830	3,305,510	2,491,732	1,459,097
Southern Express Inc.	749,555	495,321	207,000	NA	1,958,002	1,428,462	872,000	NA
Standard Trucking Company	2,946,978	2,538,540	2,379,137	1,504,344	5,793,468	5,076,653	4,355,146	2,873,079
Superior Trucking Company[1]	31,678	19,530E	17,000	0	7,044,039	5,425,025	4,626,000	0
Tallant Transfer Inc.	439,324	393,112	379,319	446,283	2,871,433	2,692,549	2,544,618	2,716,271
Tennessee-Carolina Transportation	2,402,497	2,114,013	1,874,896	1,513,304	5,138,338	4,542,729	4,216,953	3,459,916
Textile Motor Freight Inc.	313,653	268,208	260,615	181,192	1,891,159	1,631,412	1,610,351	1,279,280
Thurston Motor Lines Inc.	6,704,091	5,458,676	5,299,000	3,853,000	13,549,094	11,424,604	9,488,000	6,539,000
Transit Homes Inc.	21,059	14,543	4,011	3,004E	5,330,223	3,608,491	3,039,517	1,001,253
The Transport Corporation	1,485,437	1,518,138	1,508,000	1,527,000	3,190,440	3,152,800	3,225,000	3,058,000
Vance Trucking Company Inc.	661,812	656,277	598,560	487,224	1,673,299	1,578,009	1,419,006	1,172,762
Wilko Corporation	430,284	321,731	262,181	148,109	1,400,209	1,257,744	1,213,802	769,797
Yeary Transfer Company Inc.	187,711	220,928	2,446	2,271	1,041,682	1,172,031	1,299,064	1,453,099
Youngblood Truck Lines Inc.	2,240,416	1,891,774	1,844,511	1,532,577	7,045,334	5,869,859	5,712,330	4,686,109
Totals	$115,553,466	$100,438,731	$ 90,769,349	$ 66,523,322	$533,817,120	$473,858,343	$422,173,555	$276,275,316

[1] Began operations in 1963. [2] Began operations in 1962. [3] Began operations in 1962. E—Estimated.

Deficits or decreases shown in bold type.

* Reflects 7 months of Ryder Tank Lines, Inc. operations. Ryder Tank & Ryder Truck combined for 1964, 1963, & 1960.

FIGURE NO. 35A– Continued

MOTOR FREIGHT CARRIERS—CLASS I

Income, Expense, Operating Ratio and Net Income Data for the Years Ended December 31, 1965, 1964, 1963 and 1960

(North Carolina and Total System)

Class I Motor Carriers	Total Operating Expenses				Net Operating Revenue Total System				Operating Ratio Total System			
	1965	1964	1963	1960	1965	1964	1963	1960	1965	1964	1963	1960
Akers Motor Lines	$ 26,104,611	$ 23,116,797	$ 21,322,670	$17,911,333	$ 2,661,932	$ 2,401,459	$ 1,995,987	$ 570,482	90.7	90.5	91.4	96.9
Associated Petroleum Carriers	7,402,603	7,660,299	7,799,000	6,472,000	8,729	**662**	11,000	33,000	99.8	100.0	99.9	99.5
Barnes Truck Lines Inc.	1,340,832	1,494,379	1,242,656	1,048,899	175,938	241,257	191,864	83,971	88.4	86.1	86.6	92.5
Billings Transfer Corporation	1,389,850	1,243,050	1,220,000	966,000	216,519	165,963	37,000	77,000	86.5	88.2	97.1	92.7
A. G. Boone	4,189,904	4,026,590	3,561,497	2,945,813	342,343	446,510	273,826	475,200	92.4	90.0	92.9	86.1
Carolina Delivery Service Co.	1,466,590	1,313,926	1,231,000	919,000	**24,099**	33,034	32,000	22,000	101.7	97.5	97.4	97.6
Carolina Freight Carriers Corp.	27,807,329	22,944,993	20,242,000	15,370,000	2,073,692	1,733,589	1,848,000	360,000	93.1	92.9	91.5	97.7
Carolina-Norfolk Truck Lines	2,422,097	2,137,472	1,847,783	1,327,174	114,072	101,844	108,674	54,890	95.5	95.5	94.4	96.0
Central Motor Lines Inc.	18,060,161	15,739,528	14,505,000	11,934,000	569,740	1,129,476	1,294,000	734,000	96.9	93.3	91.8	94.2
Colonial Motor Freight	3,020,310	2,899,051	2,602,747	1,547,432	453,885	184,333	270,244	88,872	86.9	94.0	90.5	94.6
L. G. DeWitt	1,681,031	1,612,214	1,535,134	1,048,678	25,614	46,274	57,052	21,423	98.5	97.2	96.4	98.0
Fowler, R. D. Motor Lines	1,103,552	1,051,128	953,979	807,678	48,414	6,479	48,792	**14,292**	95.7	99.3	95.1	101.8
Frederickson Motor Express	4,231,988	3,779,510	3,346,000	2,600,000	307,663	300,153	259,000	209,000	93.2	92.6	92.8	92.6
G & H Transit Company Inc.	1,095,258	1,062,274	1,007,000	857,000	17,896	100,736	106,000	95,000	98.4	91.3	90.4	90.0
Glossom Motor Lines	4,343,090	3,795,611	NA	NA	628,259	357,205	NA	NA	87.4	91.4	NA	NA
Harper Motor Lines	6,545,097	5,749,019	5,017,000	3,813,000	475,016	357,621	279,000	47,000	93.2	94.1	94.7	98.8
Helms Motor Express Inc.	3,159,904	2,782,699	2,748,462	1,975,698	81,577	76,836	20,102	2,685	97.5	97.3	99.2	99.8
Hennis Freight Lines Inc.	48,755,673	43,167,560	35,190,000	19,612,000	2,187,510	1,414,515	1,317,000	1,227,000	95.7	96.8	96.4	94.1
Hyder, Clay Trucking Lines	3,291,448	2,894,579	3,212,330	2,528,447	121,087	**79,320**	**61,744**	58,024	96.5	102.8	102.0	97.8
Johnson Motor Lines	26,014,354	23,607,505	22,695,000	10,657,000	2,024,009	1,283,359	1,215,000	**575,000**	92.8	94.8	94.9	105.6
Mangum Transport Inc.	1,096,246	1,012,374	887,019	879,704	72,833	16,831	78,134	**5,846**	93.8	98.4	91.9	100.6
Mitchell Transport Inc.	9,472,653	6,638,654	5,475,430	0	767,739	419,659	678,565	0	92.5	94.1	97.9	—
McLean Trucking Company	65,007,134	56,877,888	51,331,212	34,114,358	4,071,019	2,491,918	2,635,326	452,016	94.1	95.8	95.1	98.6
Miller Motor Express	6,441,368	6,501,118	6,579,000	6,879,000	**165,527**	**252,403**	**312,000**	**218,000**	97.5	104.0	104.9	101.7
Morgan Drive Away Inc.	12,503,522	11,905,845	10,209,701	5,307,630	**1,197,573**	432,367	627,412	325,219	91.2	93.3	94.2	94.2
Moss Trucking Company Inc.	1,514,516	1,332,539	1,097,745	569,102	**20,149**	**43,012**	1,894	12,965	98.7	103.3	100.1	97.8
National Trailer Convoy Inc.	11,941,446	10,219,743	9,188,990	5,294,173	905,958	869,048	925,063	150,349	92.9	92.2	90.8	97.2
New Dixie Lines Inc.	6,804,876	5,874,944	4,958,868	3,996,462	219,179	395,692	290,871	116,172	96.9	93.7	94.5	97.2
Northeastern Trucking Co.	2,488,469	2,214,856	2,075,392	1,406,344	78,448	63,063	81,072	27,003	96.9	97.2	96.2	98.0
North State Motor Lines Inc.	974,798	1,001,490	1,077,943	1,098,417	24,321	38,948	33,772	18,803	97.6	96.3	96.9	98.3
The Observer Transportation Co.	1,104,502	1,044,411	1,047,000	1,002,000	123,289	136,766	109,000	22,000	90.0	88.4	90.0	98.0
O'Boyle Tank Lines Inc.	5,654,103	5,292,590	5,090,779	835,830	184,074	150,444	123,819	35,258	96.8	97.2	97.6	95.9
Old Dominion Freight Lines[2]	4,628,578	4,102,068	3,794,000	0	197,120	252,**255**	225,000	0	95.9	94.2	94.4	0
Overnite Transportation Co.	26,537,173	19,404,222	17,338,928	13,990,358	4,130,237	4,262,786	3,590,663	1,355,526	86.5	81.9	82.8	91.2
Petroleum Carrier Corporation	2,646,579	3,545,908	80,795	79,285	166,422	248,145	9,105	21,620	94.1	85.5	89.8	78.5
Pilot Freight Carriers	23,104,131	21,969,355	19,706,500	15,295,911	838,361	550,038	458,012	401,185	96.5	97.5	97.5	97.4
R. C. Motor Lines	16,429,607	14,728,172	12,858,055	9,848,494	330,135	536,399	542,977	193,115	98.0	96.4	95.9	98.0
*Ryder Truck Lines Inc.	46,721,743	49,293,333	46,840,572	30,911,287	1,825,439	1,309,241	1,688,563	1,661,064	96.2	97.4	96.5	94.9
S & W Motor Lines	3,061,442	2,851,973	2,678,896	1,757,920	204,364	200,807	82,696	61,522	93.7	93.4	97.0	96.6
Seacoast Transportation Co.	1,682,931	1,403,349	1,276,000	0	**37,912**	19,796	19,000	0	102.3	98.6	98.6	0
Shamrock Van Lines Inc.	4,568,752	3,224,605	2,457,999	1,451,276	86,078	80,905	33,733	7,821	98.2	97.5	98.6	99.5
Southern Express Inc.	1,827,698	1,328,765	897,000	NA	130,304	99,697	**25,000**	NA	93.3	99.7	102.9	NA
Standard Trucking Company	5,394,238	4,825,356	4,045,955	2,860,749	399,230	251,297	309,191	12,330	93.1	95.0	92.9	99.6
Superior Trucking Company[1]	6,142,242	5,053,427	4,201,000	0	901,797	371,598	425,000	0	87.2	93.1	90.8	0
Tallant Transfer Inc.	2,786,301	2,678,300	2,518,719	2,702,031	85,132	14,249	25,899	14,240	97.0	99.4	99.0	99.4
Tennessee-Carolina Transportation	4,723,882	4,168,101	3,851,163	3,315,547	414,456	374,628	365,790	144,369	91.9	91.8	91.3	95.8
Textile Motor Freight Inc.	1,860,986	1,670,879	1,611,923	1,303,916	30,173	**39,467**	**1,572**	24,636	98.4	102.4	100.1	101.9
Thurston Motor Lines Inc.	12,454,733	10,428,387	8,841,000	6,062,000	1,094,361	996,217	647,000	477,000	91.9	91.3	93.2	92.7
Transit Homes Inc.	4,792,334	3,510,262	2,952,326	991,987	537,889	98,229	87,191	9,266	89.9	97.2	97.1	99.0
The Transport Corporation	3,082,350	3,093,773	3,121,000	2,949,000	108,090	59,027	104,000	109,000	96.6	98.1	96.7	96.4
Vance Trucking Company Inc.	1,610,902	1,516,092	1,393,978	1,156,637	62,397	61,917	25,028	16,125	96.3	96.1	98.2	98.6
Wilko Corporation	1,271,264	1,146,183	1,122,489	667,448	128,945	111,561	91,313	102,349	90.8	91.1	92.4	86.7
Yearly Transfer Company Inc.	1,012,614	1,091,125	1,242,042	1,467,717	29,068	80,906	57,022	**14,618**	97.2	93.1	95.6	101.0
Youngblood Truck Lines Inc.	6,806,163	5,686,362	5,593,003	4,602,193	239,171	183,497	119,327	83,916	96.6	96.8	97.9	98.2
Totals	$501,575,958	$448,714,633	$398,721,680	$267,137,928	$32,241,162	$25,143,710	$23,451,875	$ 9,137,388	93.9	94.6	94.2	96.6

[1] Began operations in 1963. [2] Began operations in 1962. [3]Began operations in 1962. E—Estimated.

Deficits or decreases shown in bold type.

* Reflects 7 months of Ryder Tank Lines, Inc. operations. Ryder Tank & Ryder Truck combined for 1964, 1963, & 1960.

FIGURE NO. 35A—Continued

MOTOR FREIGHT CARRIERS—CLASS I

Income, Expense, Operating Ratio and Net Income Data for the Years Ended December 31, 1965, 1964, 1963 and 1960

(North Carolina and Total System)

Class I Motor Carriers	Total System Other Income or (Deductions) Net Including Income Taxes				Net Income After Taxes Total System			
	1965	1964	1963	1960	1965	1964	1963	1960
Akers Motor Lines	$ 595,994	$ 819,395	$ 834,207	$ 407,109	$ 2,065,938	$ 1,582,064	$ 1,161,780	$ 163,373
Associated Petroleum Carriers	630	17,688	7,871	28,493	9,359	18,350	18,871	4,507
Barnes Truck Lines Inc.	75,488	96,707	94,479	48,910	100,450	144,550	97,385	35,061
Billings Transfer Corporation	80,903	57,531	25,852	30,156	135,616	108,432	11,148	46,844
A. G. Boone	103,515	161,892	72,891	244,306	238,828	284,618	200,935	230,894
Carolina Delivery Service Co.	3,887	6,664	6,907	8,660	27,986	26,370	25,093	13,340
Carolina Freight Carriers Corp.	991,202	815,322	772,793	256,847	1,082,490	918,267	1,075,207	103,153
Carolina-Norfolk Truck Lines	57,686	51,465	56,909	30,463	56,386	50,379	51,765	24,427
Central Motor Lines Inc.	330,608	485,631	308,051	341,224	239,132	643,845	985,949	392,776
Colonial Motor Freight	177,465	52,530	119,736	52,105	276,420	131,803	150,508	36,767
L. G. DeWitt	21,021	26,265	24,932	19,944	4,593	20,009	32,120	1,479
Fowler, R. D. Motor Lines	20,995	0	18,535	13,238	27,419	6,479	30,257	27,530
Frederickson Motor Express	144,140	145,343	132,607	107,484	163,523	154,810	126,393	101,516
G & H Transit Company Inc.	9,664	49,659	59,513	27,741	8,232	51,077	46,487	67,259
Glossom Motor Lines	229,546	253,858	NA	NA	398,713	103,347	NA	NA
Harper Motor Lines	221,772	138,156	72,331	34,148	253,244	219,465	206,669	12,852
Helms Motor Express Inc.	25,981	28,014	18,785	17,345	55,596	48,822	1,317	14,660
Hennis Freight Lines Inc.	1,069,088	813,531	96,476	742,174	1,118,422	600,984	1,220,524	484,826
Hyder, Clay Trucking Lines	113,516	93,294	49,048	27,792	7,571	172,614	110,792	30,232
Johnson Motor Lines	958,183	463,902	419,029	17,901	1,065,826	819,457	795,971	557,099
Mangum Transport Inc.	21,571	25,395	29,739	10,620	51,262	8,564	48,395	16,466
Mitchell Transport Inc.[3]	293,802	187,636	35,923	0	473,937	232,023	642,642	0
McLean Trucking Company	1,822,786	1,447,293	1,323,604	636,259	2,248,233	1,044,625	1,311,722	184,243
Miller Motor Express	159,921	181,640	132,050	90,990	5,606	434,043	444,050	308,990
Morgan Drive Away Inc.	581,261	0	360,147	255,392	616,312	432,367	267,265	69,827
Moss Trucking Company Inc.	25,972	12,744	25,965	3,634	5,823	30,268	27,859	9,331
National Trailer Convoy Inc.	434,436	379,549	535,322	59,497	471,522	489,499	389,741	90,852
New Dixie Lines Inc.	28,450	185,344	158,718	66,645	190,729	210,348	132,153	49,527
Northeastern Trucking Co.	26,261	20,037	7,417	11,024	52,187	43,026	73,655	15,979
North State Motor Lines Inc.	22,048	22,327	17,660	17,331	2,273	16,621	16,112	1,472
The Observer Transportation Co.	58,197	67,718	54,662	8,722	65,092	69,048	54,338	13,278
O'Boyle Tank Lines Inc.	147,664	113,512	74,394	18,573	36,410	36,932	49,425	16,685
Old Dominion Freight Lines[2]	82,262	66,089	64,114	0	114,858	186,166	160,886	0
Overnite Transportation Co.	1,766,973	2,048,284	1,731,310	824,881	2,363,264	2,214,502	1,859,353	530,645
Petroleum Carrier Corporation	104,621	62,459	3,062	7,691	61,801	185,686	6,043	13,929
Pilot Freight Carriers	507,251	389,611	287,965	274,818	331,110	160,427	170,047	126,367
R. C. Motor Lines	177,472	226,701	215,115	123,118	152,663	309,698	327,862	69,997
Ryder Truck Lines Inc.*	1,078,137	1,201,409	1,035,264	914,040	747,302	107,832	653,299	747,024
S & W Motor Lines	129,908	112,954	67,209	199,479	74,456	87,853	15,487	137,957
Seacoast Transportation Co.[1]	56,158	44,909	37,185	0	18,246	64,705	56,185	0
Shamrock Van Lines Inc.	75,948	64,415	17,117	7,726	10,130	16,490	16,616	95
Southern Express Inc.	60,901	32,906	17,000	NA	69,403	66,791	42,000	NA
Standard Trucking Company	180.227	94,618	124,040	14,914	219,003	156,679	185,151	2,584
Superior Trucking Company[1]	434,173	30,195	241,165	0	467,624	341,403	183,835	0
Tallant Transfer Inc.	33,368	23,922	13,236	11,954	51,764	9,673	12,663	2,286
Tennessee-Carolina Transportation	216,370	190,854	333,235	79,409	198,086	183,774	32,555	64,960
Textile Motor Freight Inc.	12,917	23,511	15,471	7,892	17,256	62,978	17,043	32,528
Thurston Motor Lines Inc.	496,613	409,289	153,965	310,493	597,748	586,928	493,035	166,507
Transit Homes, Inc.	189,221	36,773	50,978	1,497	348,668	61,456	36,213	7,769
The Transport Corporation	44,040	2,290	45,043	50,839	64,050	56,737	58,957	58,161
Vance Trucking Company Inc.	7,676	16,106	10,721	3,550	54,721	45,811	14,307	12,575
Wilko Corporation	70,920	23,575	70,768	68,444	58,025	87,986	20,545	33,905
Yearly Transfer Company Inc.	24,918	16,675	22,466	18,519	4,150	64,231	34,556	33,137
Youngblood Truck Lines Inc.	128,328	212,745	54,439	86,327	110,843	396,242	64,888	2,411
Totals	$14,618,479	$ 12,009,536	$ 10,467,309	$ 6,604,516	$17,622,683	$13,134,174	$12,984,566	$ 2,532,872

[1] Began operations in 1963. [2] Began operations in 1962. [3]Began operations in 1962. E—Estimated.

Deficits or decreases shown in bold type.

* Reflects 7 months of Ryder Tank Lines, Inc. operations. Ryder Tank & Ryder Truck combined for 1964, 1963, & 1960.

FIGURE NO. 35B

MOTOR FREIGHT CARRIERS — CLASS II

Income, Expense, Operating Ratio, and Net Income Data for the Years Ended December 31, 1965, 1964, 1963 and 1960

Motor Freight Carriers — Class II	Operating Revenues in North Carolina				Total Operating Revenues			
	1965	1964	1963	1960	1965	1964	1963	1960
Anderson Truck Lines Inc.	$ 137,669	$ 125,911	$ 109,469	$ 65,833	$ 458,880	$ 402,881	$ 355,305	$ 214,090
B & P Motor Lines	162,801	147,047	No breakdown	No breakdown	797,125	689,898	592,524	194,253
B & W Transport[3]	18,506	19,403	16,884	0	240,594	265,950	246,658	0
Billings Trucking Corp.	47,339	47,968	45,231	38,956	702,432	641,786	565,150	445,455
Blair Transit Company	121,641	86,203	96,940	76,162	287,161	243,770	263,000	246,000
Blue Ridge Trucking Co.	580,290	566,190	NA	NA	580,290	566,190	512,263	392,632
Burton Lines, Inc.	305,090	281,822	262,223	224,289	702,326	568,992	503,985	402,125
Byrd Motor Lines Inc.	186,479	109,474	91,000	0	1,340,608	873,002	680,000	611,410
Cargocare Transportation Co.	196,255	301,313	319,091	170,684	464,334	576,965	646,781	445,453
Carolina Asphalt & Petroleum Co.	350,391	305,040	271.000	237.000	350,391	305.040	271.000	237,000
Carolina Carriers	230,284	224,075	211,600	236,400	230,284	224,075	211,600	236,400
Carolina Transfer & Storage	158,462	161,575	134,458	125,751	534,307	457,348	444,361	426,196
Carroll's Transfer	267,044	181,639	427,945	337,530	594,355	516,166	427,945	337,530
Charlotte Van & Storage Co.	511,876	373,085	363,347	176,832	511,876	373,085	363,347	176,832
Citizens Express, Inc.	287,835	278,499	252,388	219,523	287,835	278,499	252,388	219,236
Claremont Motor Lines	128,452	104,632	90,000	6,000	698,110	542,138	451,000	6,000
Clay's Transfer Co., Inc.	77,616	96,932	106,113	117,753	261,545	249,662	261,485	267,268
A. F. Comer Transport Service	91,682	101,020	135,000	108,000	539,304	593,622	646,000	536,000
Cope Trucking Company	100,930	85,882	80,775	51,673E	504,648	403,603	384,642	246,063
Cromartie Transport Co.	279,729	259,585	290,000	274,000	279,729	292,655	344.000	315,000
Durham Transfer & Storage Inc.	67,886	61,891	59,833	88,026	285,493	218,568	249,626	251,028
East Coast Transport Co., Inc.	261,304	250,822	218,755	111,855	261,304	250,822	218,755	111,855
Eastern Transit-Storage Co.	133,283	104,315	86,000	50,299	276,275	239,364	196,000	187,600
Edmac Trucking Co., Inc.	146,724	146,662	101,252	NA	254,373	226,854	192,120	156,098
Fidelity Van & Storage Inc.	143,301	101,708	72,172	NA	311,457	239,792	223,514	189,532
Forbes Transfer Co. Inc.	551,029	545,143	567,639	321,494	1,086,627	845,261	931,166	757,575
Gastonia Motor Express, Inc.	Leased to S. Express							
Goldston Transfer Inc.	360,466	302,663	251,000	160,000	1,292,919	1,081,325	927,000	594,000
Greyhound Storage Inc.	14,798	4,230	5,813	9,884	1,270,228	1,059,702	994,881	1,270,760
Henry, C. S. Transfer Inc.	126,207	133,252	137,700	121,417	658,348	662,794	764,456	578,755
Guignard Freight Lines Inc.	269,226	262,277	226,749	NA	1,097,340	912,503	834,821	NA
Haley Transfer & Storage	284,699	211,902	130,362	90,340	284,699	211,902	130,362	90,340
Hawn Trucking Company[2]	175,290	218,773	319,279	325,650	175,290	218,773	319,279	325,650
Johnson, Bruce Trucking Co.	217,960	193,039	209,028	154,532	562,914	565,478	594,505	467,007
Kenan Transport Co.	267,551	253,816	241,160	127,895	267,551	253,816	241,160	127,895
Laney Tank Lines Inc.	271,130	298,353	317,000	274,000	990,250	973,103	982,000	935,000
M & M Tank Lines Inc.	676,941	592,496	514,347	29,914	719,538	636,135	514,347	29,914
Martin Transfer & Storage	183,517	92,109	70,952	NA	384,730	347,606	280,626	390,856
Maybelle Transportation Co.	735,994	733,835	684,523	557,496	970,483	932,683	844,789	707,963
Mid-State Delivery Service	261,255	235,005	220,048	203,768	261,255	235,005	220,048	203,768
H. W. Miller Trucking Co.	512,572	603,453	580,428	357,541	1,042,661	1,006,426	986,763	693,739
Murrow's Transfer Inc.	360,975	349,761	334,000	180,000	1,184,690	998,747	987,000	468,000
Petroleum Transit Co. Inc.	444,923	458,862	507,000	358,000	566,878	535,741	559,000	453,000
Petroleum Transportation Inc.	440,475	420,193	442,000	424,000	695,853	653,488	634,000	601,000
Pitt County Transportation Co.	280,616	306,674	301,123	193,361	766,051	762,793	700,775	510,861
Quality Oil Transport	473,444	464,164	474,598	58,227	522,873	546,518	522,990	421,405
Shamrock Transport Co.	221,873	216,436	181,601	253,068	221,873	216,436	181,601	253,068
Smith, M. M. Storage Wshe.	252,962	262,375	314,272	186,649	252,962	262,375	314,272	186,649
Southern Oil Transportation Co.	593,153	609,511	665,000	585,000	593,153	609,511	665,000	585,000
Stegall Milling Company	217,405	224,780	67,330	NA	912,950	838,104	757,602	505,608
Stegall, T. G. Company	113,755	125,461	107,158	38,369	751,848	750,880	667,109	251,746
Sugar Transport Inc.	81,436	88,690	62,000	58,000	684,310	572,707	427,000	298,000
T & A Trucking Company	886,146	806,168	746,837	898,590	1,210,083	1,091,532	921,120	898,590
Tarheel Transport Inc.	312,582	412,168	427,424	401,706	312,582	412,168	427,424	421,706
Tatum-Dalton Transfer Co.	276,445	234,923	246,457	NA	367,156	286,491	312,475	255,680
Terminal City Transport Inc.	257,307	269,237	191,144	138,490	257,307	269,237	191,144	138,490
Van Gorp Van Service Inc.	16,581	0	14,640	NA	740,235	703,490	662,433	488,359
Washburn Storage Company	117,158	123,035	109,420	96,725	1,162,277	928,569	825,809	759,816
Webb Transfer Lines Inc.	72,598	50,799	0	NA	801,395	757,080	694,398	891,713
Whittenton's Transfer	67,630	43,950[1]	NA	NA	341,123	221,974	159,635	185,239
A. C. Widenhouse	679,854	585,357	632,000	510,000	689,395	596,498	642,000	518,000
Wilson Transfer Company Inc.	265,797	247,618	240,000	192,000	428,788	397,097	361,000	326,000
Totals	$ 16,334,619	$ 15,503,201	$ 14,381,508	$ 10,022,682	$ 36,283,651	$ 32,594,675	$ 30,683,439	$ 23,442,208

* Class II Carriers have annual operating Revenues of $200,000 and not more than $1,000,000.

E — Estimated. [1] Based on 1965 allocation of 19.8%. [2] All revenue from leasing of equipment. [3] Began operations in 1963.

NA — Not available. Deficits or decreases shown in bold type.

FIGURE NO. 35B—Continued

MOTOR FREIGHT CARRIERS—CLASS II

Income, Expense, Operating Ratio, and Net Income Data for the Years Ended December 31, 1965, 1964, 1963 and 1960

Motor Freight Carriers—Class II	Total Operating Expenses				Net Operating Revenue Total System				Operating Ratio Total System Per Cent			
	1965	1964	1963	1960	1965	1964	1963	1960	1965	1964	1963	1960
Anderson Truck Lines Inc.	$ 425,750	$ 373,216	$ 331,640	$ 205,284	$ 33,130	$ 29,665	$ 23,665	$ 8,806	92.7	92.6	93.3	95.8
B & P Motor Lines	760,158	670,327	572,045	201,671	36,967	19,571	20,479	**7,418**	95.4	93.3	96.5	103.8
B & W Transport[3]	224,465	242,329	214,286	0	16,129	23,621	32,372	0	93.3	91.2	86.8	0
Billings Trucking Corp.	604,216	572,113	510,928	416,763	98,216	69,673	54,222	28,692	86.0	89.1	90.4	93.6
Blair Transit Company	307,807	281,726	289,000	291,000	**20,647**	**37,956**	**26,000**	**45,000**	107.2	115.6	109.8	118.2
Blue Ridge Trucking Co.	551,178	528,428	474,286	366,448	29,112	37,762	37,977	26,184	95.0	93.3	92.6	93.3
Burton Lines, Inc.	649,274	541,229	492,278	395,419	53,052	27,763	11,707	6,706	92.4	95.1	97.6	98.3
Byrd Motor Lines Inc.	1,215,915	823,251	625,000	474,466	124,693	49,751	55,000	136,944	90.7	94.3	91.9	77.6
Cargocare Transportation Co.	461,711	565,734	623,964	437,622	2,623	11,231	22,817	7,831	99.4	98.1	96.5	98.2
Carolina Asphalt & Petroleum Co.	347,403	299,792	266,000	233,000	2,987	5,248	5,000	4,000	99.1	98.2	98.0	98.0
Carolina Carriers	209,233	204,674	196,000	210,500	21,051	19,401	15,600	25,900	90.9	91.3	92.6	89.0
Carolina Transfer & Storage	498,532	451,985	429,786	409,370	35,775	5,363	14,575	16,826	93.0	98.8	96.7	96.0
Carroll's Transfer	542,788	501,121	420,148	327,563	51,567	15,045	7,797	9,967	91.3	97.1	98.2	97.0
Charlotte Van & Storage Co.	493,903	367,086	357,273	182,383	17,973	5,999	6,074	**5,551**	96.5	98.4	98.3	103.4
Citizens Express, Inc.	255,686	259,715	221,335	186,123	32,149	18,784	31,053	33,113	88.8	93.0	87.7	84.9
Claremont Motor Lines	611,780	488,021	434,000	6,000	86,330	54,117	17,000	0	87.6	90.0	96.0	100.0
Clay's Transfer Co., Inc.	227,019	268,439	258,228	277,075	34,526	**18,777**	3,257	**9,807**	86.8	107.5	98.7	103.0
A. F. Comer Transport Service	528,362	604,197	665,000	512,000	10,942	**10,575**	**19,000**	24,000	98.0	101.7	102.9	95.5
Cope Trucking Company	473,507	379,166	352,688	242,781	31,141	24,437	31,954	3,282	93.8	93.9	91.7	98.6
Cromartie Transport Co.	279,701	317,911	330,000	281,000	28	**25,256**	14,000	34,000	100.0	100.0	95.9	89.0
Durham Transfer & Storage Inc.	369,029	338,321	343,987	303,129	**83,536**	**119,753**	**94,361**	**52,101**	129.3	154.7	119.4	108.3
East Coast Transport Co., Inc.	244,102	235,838	200,449	101,230	17,202	14,984	18,306	10,625	93.4	93.9	91.6	90.5
Eastern Transit-Storage Co.	259,563	225,317	186,000	186,791	16,713	14,047	10,000	809	94.0	98.3	94.8	99.6
Edmac Trucking Co., Inc.	236,954	234,789	198,565	180,795	17,419	**7,935**	**6,445**	**24,697**	93.2	103.5	104.0	115.8
Fidelity Van & Storage Inc.	304,536	239,014	224,476	190,708	6,920	778	**962**	**1,176**	97.8	99.7	100.4	100.6
Forbes Transfer Co. Inc.	1,039,551	823,318	903,936	745,252	47,076	21,943	27,230	12,323	95.7	97.6	97.0	98.4
Gastonia Motor Express, Inc.	Leased to South Express											
Goldston Transfer Inc.	1,130,292	1,043,918	820,000	536,000	162,627	37,407	107,000	58,000	87.4	96.0	88.4	90.2
Greyhound Storage Inc.	1,263,029	1,050,222	983,999	1,168,730	7,199	9,480	10,882	102,030	99.4	99.1	98.9	91.9
Henry, C. S. Transfer Inc.	601,222	572,667	705,144	512,754	57,126	90,127	59,312	66,001	91.3	86.4	92.2	88.5
Guignard Freight Lines Inc.	977,000	815,768	765,318	NA	120,340	96,735	69,503	NA	89.0	89.4	91.7	NA
Haley Transfer & Storage	272,620	200,848	116,545	72,966	12,078	11,054	13,817	17,374	95.8	94.8	89.4	80.8
Hawn Trucking Company	180,095	354,953	336,227	320,201	**4,805**	**136,180**	**16,948**	5,449	102.7	162.5	105.0	98.3
Johnson, Bruce Trucking Co.	592,493	607,176	603,065	424,751	**29,579**	**41,698**	**8,560**	42,256	105.2	107.3	101.4	91.0
Kenan Transport Co.	231,787	235,497	212,569	103,696	35,764	18,319	28,591	24,199	86.6	92.0	88.1	80.7
Laney Tank Lines Inc.	825,470	806,476	813,000	746,000	164,780	166,627	169,000	189,000	83.4	82.8	82.7	79.7
M & M Tank Lines Inc.	676,919	612,160	531,321	42,274	42,622	23,975	**16,974**	**12,360**	94.0	96.2	103.3	141.3
Martin Transfer & Storage	369,485	348,838	275,731	370,226	15,245	**1,232**	4,895	20,630	96.0	100.4	98.3	94.7
Maybelle Transportation Co.	930,787	893,538	783,831	687,003	39,696	39,145	60,958	20,960	95.9	95.8	92.8	97.0
Mid-State Delivery Service	257,915	225,177	209,093	204,709	3,340	9,828	10,955	**941**	98.7	95.8	95.0	100.5
H. W. Miller Trucking Co.	1,013,278	991,057	945,802	694,779	29,383	**15,369**	40,961	**1,040**	97.2	98.4	95.8	100.1
Murrow's Transfer Inc.	1,127,768	959,096	936,000	445,000	56,922	**39,651**	51,000	23,000	95.2	96.0	94.8	95.1
Petroleum Transit Co. Inc.	580,420	502,890	550,000	427,000	**13,542**	32,851	9,000	26,000	102.4	93.9	98.0	94.0
Petroleum Transportation Inc.	637,177	592,081	581,000	572,000	58,676	61,407	53,000	29,000	90.8	90.6	91.6	95.1
Pitt County Transportation Co.	741,459	715,240	687,658	497,146	24,592	47,553	13,117	13,715	96.8	93.7	98.1	97.3
Quality Oil Transport	256,704	303,157	308,429	199,144	266,169	243,361	214,561	222,261	49.0	55.5	59.0	47.3
Shamrock Transport Co.	158,669	153,729	149,902	213,863	63,204	62,707	31,699	39,205	71.5	71.0	82.5	84.5
Smith, M. M. Storage Wshe.	222,129	273,267	259,504	144,686	30,833	**10,892**	54,768	41,963	87.8	104.2	82.6	77.5
Southern Oil Transportation Co.	552,885	591,693	626,000	522,000	40,268	17,818	39,000	63,000	93.2	97.0	94.1	89.2
Stegall Milling Company	817,183	810,380	735,095	473,044	95,768	27,724	22,507	32,564	89.5	96.7	97.0	94.7
Stegall, T. G. Company	729,682	680,269	630,537	246,725	22,166	70,611	36,572	5,021	97.1	90.6	94.5	98.0
Sugar Transport Inc.	599,125	497,579	427,000	270,000	85,185	75,128	0	28,000	87.6	86.9	99.9	90.5
T & A Trucking Company	1,360,576	1,045,156	818,782	837,747	**150,493**	46,376	102,338	60,843	112.4	95.7	88.9	93.1
Tarheel Transport Inc.	302,228	390,288	407,599	412,584	10,354	21,880	19,825	9,122	90.3	94.6	95.3	97.8
Tatum-Dalton Transfer Co.	346,978	292,508	298,696	242,976	20,178	**6,017**	13,779	12,704	94.5	102.1	95.6	95.0
Terminal City Transport Inc.	213,965	236,905	157,512	115,529	43,341	32,332	33,632	22,961	83.1	88.0	82.4	83.4
Van Gorp Van Service Inc.	657,178	626,991	601,227	499,614	83,057	76,499	61,206	**11,255**	88.8	89.1	90.8	102.3
Washburn Storage Company	1,110,343	898,635	800,982	805,505	51,934	29,934	24,827	**45,689**	95.5	96.7	96.9	106.0
Webb Transfer Lines Inc.	742,767	689,566	693,856	925,954	58,628	67,514	542	**34,241**	90.7	91.1	99.9	103.8
Whittenton's Transfer	298,625	208,941	158,535	182,958	42,498	13,033	1,100	2,281	87.5	94.1	99.3	98.8
A. C. Widenhouse	597,648	512,187	561,000	464,000	91,747	84,311	81,000	54,000	86.7	85.9	87.4	89.6
Wilson Transfer Company Inc.	396,731	381,321	374,000	317,000	32,057	15,776	13,000	9,000	92.5	96.0	104.0	97.0
	$33,894,755	$30,957,231	$28,986,257	$22,062,937	$ 2,388,896	$ 1,637,444	$1,697,182	$1,379,271	93.4	94.9	94.4	94.1

* Class II carriers have annual operating Revenues of $200,000 and not more than $1,000,000.
E—Estimated. [1]Based on 1965 allocation of 19.8%. [2] All revenue from leasing of equipment. [3] Began operations in 1963.
NA—Not available
Deficits or decreases shown in bold type.

FIGURE NO. 35B—Continued

MOTOR FREIGHT CARRIERS– CLASS II

Income, Expense, Operating Ratio, and Net Income Data for the Years Ended December 31, 1965, 1964, 1963 and 1960

Motor Freight Carriers Class II	Other Income or Deductions Net (Including Income Taxes) 1965	1964	1963	1960	Net Income Total System (After Income Taxes) 1965	1964	1963	1960
Anderson Truck Lines Inc.	$ 11,958	$ 12,210	$ 12,056	$ 3,941	$ 21,172	$ 17,455	$ 11,609	$ 4,865
B & P Motor Lines	15,456	11,976	7,961	2,695	21,511	7,595	12,518	4,723
B & W Transport	8,807	11,207	10,141	0	7,322	12,414	22,231	0
Billings Trucking Corp.	27,235	18,524	12,076	8,661	70,981	51,149	42,146	20,031
Blair Transit Company	39,273	27,700	22,485	36,610	18,626	10,256	3,515	8,390
Blue Ridge Trucking Co.	17,196	1,739	1,190	1,078	11,916	36,023	36,787	27,262
Burton Lines, Inc.	12,161	1,109	3,167	1,709	40,891	26,654	8,540	4,997
Byrd Motor Lines Inc.	27,458	34,944	54,587	27,487	97,235	14,807	413	109,457
Cargocare Transportation Co.	2,400	2,957	4,145	1,262	223	8,274	18,672	6,569
Carolina Asphalt & Petroleum Co.	239	834	821	1,000	2,748	4,414	4,179	3,000
Carolina Carriers	2,711	3,631	4,000	8,300	18,340	23,032	19,600	17,600
Carolina Transfer & Storage	2,941	20,097	8,380	17,287	38,716	25,460	22,955	34,113
Carroll's Transfer	5,669	1,595	6,749	1,310	45,898	13,450	1,048	8,657
Charlotte Van & Storage Co.	4,472	2,893	5,179	0	13,501	3,106	895	5,551
Citizens Express, Inc.	9,288	12,344	10,771	11,911	22,861	6,440	20,282	21,202
Claremont Motor Lines	9,396	4,314	111	0	76,934	58,431	16,889	0
Clay's Transfer Co., Inc.	3,127	2,902	2,356	2,400	31,399	21,679	901	12,207
A. F. Comer Transport Service	18,688	4,734	3,336	8,204	7,746	15,309	22,336	15,796
Cope Trucking Company	6,026	13,717	4,662	0	25,115	10,720	27,292	3,282
Cromartie Transport Co.	3,371	1,217	469	8,079	3,343	26,473	14,469	25,921
Durham Transfer & Storage Inc.	98,834	122,004	97,170	55,567	15,298	2,251	2,809	3,466
East Coast Transport Co., Inc.	7,669	2,449	318	941	9,533	12,535	17,988	9,684
Eastern Transit-Storage Co.	6,570	2,559	5,864	139	10,143	11,488	15,864	948
Edmac Trucking Co., Inc.	3,939	1,661	3,606	20,901	13,480	6,274	2,839	3,796
Fidelity Van & Storage Inc.	185	0	22	0	6,735	778	940	1,176
Forbes Transfer Co., Inc.	4,649	3,503	6,028	4,755	42,427	18,440	21,202	7,568
Gastonia Motor Express, Inc.	Leased to S	Express						
Goldston Transfer Inc.	43,259	448	33,592	25,722	119,368	37,855	73,408	32,278
Greyhound Storage Inc.	1,000	699	4,616	48,152	6,199	10,179	6,266	53,878
Henry, C. S. Transfer Inc.	16,698	22,258	21,401	34,296	40,428	67,869	37,911	31,705
Guignard Freight Lines Inc.	16,814	21,945	2,266	NA	103,526	74,790	67,237	NA
Haley Transfer & Storage	3,222	2,226	2,973	4,396	8,856	8,828	10,844	12,978
Hawn Trucking Company	131	27,026	15,315	3,186	4,674	163,206	32,263	2,263
Johnson, Bruce Trucking Co.	12,360	7,977	3,731	4,452	41,939	33,721	12,291	46,708
Kenan Transport Co.	20,473	14,758	32,273	5,507	15,291	3,561	3,682	18,692
Laney Tank Lines Inc.	83,885	97,999	79,969	88,256	80,895	68,628	89,031	100,744
M & M Tank Lines Inc.	22,376	31,788	47,810	2,266	20,246	7,813	64,784	14,626
Martin Transfer & Storage	21,995	8,875	843	756	37,240	7,643	5,738	21,386
Maybelle Transportation Co.	15,235	13,883	14,226	39,957	24,461	25,262	46,732	60,917
Mid-State Delivery Service	769	2,721	3,707	381	2,571	7,107	7,248	560
H. W. Miller Trucking Co.	7,271	4,784	11,868	54	22,112	10,585	29,093	986
Murrow's Transfer Inc.	8,211	29,855	14,803	11,086	48,711	9,796	36,197	11,914
Petroleum Transit Co. Inc.	16,775	12,248	9,919	14,781	30,317	20,603	919	11,219
Petroleum Transportation Inc.	19,566	28,003	17,349	12,390	39,110	33,404	35,651	16,610
Pitt County Transportation Co.	9,706	32,786	9,214	5,152	14,886	14,767	22,331	8,563
Quality Oil Transport	12,127	18,832	233	654	278,296	262,193	214,794	221,607
Shamrock Transport Co.	6,945	23,526	16,177	18,100	70,149	86,233	47,876	57,305
Smith, M. M. Storage Wshe.	10,456	2,418	20,435	16,313	20,377	8,474	34,333	25,650
Southern Oil Transportation Co.	2,480	3,570	28,393	18,794	37,788	14,248	10,607	44,206
Stegall Milling Co.	590	0	0	91	95,178	27,724	22,507	32,655
Stegall, T. G. Company	17,387	1,783	488	0	4,779	72,394	36,084	5,021
Sugar Transport Inc.	41,163	42,204	31,858	10,000	44,022	32,924	31,858	18,000
T & A Trucking Company	150,965	36,785	40,207	32,201	472	83,161	62,131	28,642
Tarheel Transport Inc.	1,186	2,379	1,697	3,820	9,168	19,501	18,128	5,302
Tatum-Dalton Transfer Co.	11,536	15,366	6,122	270	31,714	9,349	19,901	12,974
Terminal City Transport Inc.	17,256	9,518	15,642	11,147	26,085	22,814	17,990	11,814
Van Gorp Van Service Inc.	51,920	25,681	26,579	25,871	31,137	50,818	34,627	37,126
Washburn Storage Company	34,118	22,416	9,118	61,409	17,816	7,518	15,709	15,720
Webb Transfer Lines Inc.	4,112	4,340	6,505	1,086	54,516	63,174	5,963	33,155
Whittenton's Transfer	1,070	1,025	7,996	5,553	43,568	14,058	9,096	7,834
A. C. Widenhouse	16,722	27,448	38,762	29,618	75,025	56,863	42,238	24,382
Wilson Transfer Company Inc.	11,082	4,434	103	6,511	20,975	11,342	13,103	2,489
Totals	$ 368,945	$ 330,542	$ 434,962	$ 233,693	$ 2,019,951	$ 1,306,902	$ 1,262,220	$ 1,145,578

* Class II carriers have annual operating Revenues of $200,000 and not more than $1,000,000.

[1] Based on 1965 allocation of 19.8%. [2] All revenue from leasing of equipment. [3] Began operations in 1963. E—Estimated. NA—Not available.

Deficits or decreases shown in bold type.

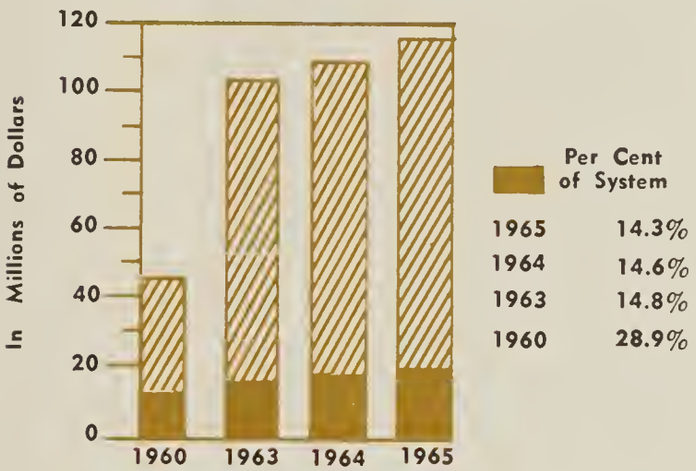
MOTOR PASSENGER CARRIERS

General Comments

At December 31, 1965, there were 79 motor carriers of passengers operating in North Carolina and being fully or partially under the regulation of the North Carolina Utilities Commission. Eleven (11) of these carriers are franchised by the governing authorities of the municipalities in which they operate. The Commission's jurisdiction over these carriers is limited to the approval or disapproval of fares and to the annual filing of reports of operations. The remaining 68 carriers are fully regulated by the Commission. Twelve (12) of these are classified as intracity and 56 as intercity.

FIGURE 36

CLASS I INTERCITY CARRIERS OPERATING REVENUE
(North Corolino ond System Doto)



Per Cent Yearly Increase

System:	North Carolina only:
136.9% — 1963 over 1960.	21.2% — 1963 over 1960.
6.3% — 1964 over 1963.	5.1% — 1964 over 1963.
7.1% — 1965 over 1964.	5.1% — 1965 over 1964.

Class I Intercity Corriers

Corolino Cooch Company	Smoky Mountoin Stoges, Inc.
Corolina Scenic Stoges	Southern Greyhound Lines
Queen City Coach Company	Virginio Stoge Lines
Seoshore Tronsporotion Company	

Intercity Motor Passenger Carriers

Financial and statistical data is presented for 46 of the 56 intercity carriers. These carriers have franchises and operating rights to serve two or more points and are further classed and operate as a common carrier or contract carrier, over either interstate or intrastate routes.

The following table shows the breakdown of these classifications:

Classification	Number of Carriers Total
Class I —$200,000 or more annual operating revenue	7
Class II —$50,000 to $200,000 annual operating revenue	6
Class III—Under $50,000 annual operating revenue	33
Total	46
Type Carrier	
Common	35
Contract	11
Total	46
Scope	
Interstate	15
Intrastate	31
Total	46

During 1965 there were no net changes in the total number of intercity carriers under regulation; however, there were a number of certificates and additional authorities granted, sold, and transferred.

Statistical Summary Data—Operating revenues and total bus miles for the Class I carriers increased in 1965 over 1964 by 7.1 per cent and 8.6 per cent respectively. Figure No. 36 shows graphically the trend in operating revenues. Operating expenses for 1965 increased by 4.6 per cent over 1964, this being at a slower rate than increases in operating revenues, thereby causing an improvement in the operating ratio from 83.62 per cent in 1964 to 81.73 per cent in 1965. Revenue passengers hauled by the 13 Class I and II carriers declined slightly in 1965, from $41,006,338 to $40,529,962 or 1.2 per cent. (See Figure No. 37.) Other selected statistics for the 46 intercity carriers are shown in Figure No. 38.

FIGURE NO. 37

MOTOR PASSENGER CARRIERS—INTERCITY—CLASS I & II
Number of Revenue Passengers Carried (System-wide Data)
For the years 1963, 1964, and 1965

	1963	1964	1965	% (Decrease) 1965 over 1964
7 Class I Motor Passenger Carriers	36,861,971	38,268,924	37,923,920	(.9)
6 Class II Motor Passenger Carriers	3,219,280	2,737,414	2,606,042	(4.8)
Grand Totals	40,081,251	41,006,338	40,529,962	(1.2)

FIGURE NO. 38

MOTOR PASSENGER CARRIERS—INTERCITY—CLASSES I, II AND III

Summary of Selected Income Items and Operational Statistics

For the Calendar Years 1963, 1964 and 1965

(North Carolina and System-wide Data Noted)

Item	Class I ($200,000 or More—Operating Revenues) 1963	1964	1965	% Change More (Less) 1964 to 1965	Class II ($50,000 to $200,000—Operating Revenues) 1963	1964	1965	% Change More (Less) 1964 to 1965
Number of Companies Included in this Data:								
Interstate Operator(s)	7	7	7		2	2	2	
Intrastate Operator(s)	0	0	0		4	4	4	
Operating Revenues (N. C. Portion)	$ 15,233,000	$ 16,012,000	$ 16,821,000	5.1	$ 788,068	$ 786,987	$ 779,259	(1.0)
Income Items (System-wide):								
Operating Revenues	$103,183,000	$109,720,000	$117,456,000	7.1	$ 830,679	$ 814,939	$ 811,810	(.4)
Operating Expenses	84,592,000	91,584,000	95,831,000	4.6	815,694	787,030	785,997	(.1)
Net Operating Revenues	18,591,000	18,136,000	21,625,000	19.2	14,985	27,909	25,813	(7.5)
Operating Ratio	81.98	83.47	81.59	(2.3)	98.20	96.58	96.82	.2
Other Income or (Deductions)—Net	(8,166,000)	(8,386,000)	(9,617,000)	14.7	2,331	(2,386)	(19,782)	729.1
Net Income	$ 10,425,000	$ 9,750,000	$ 12,008,000	23.2	$ 17,316	$ 25,523	$ 6,031	(136.0)
Statistics (N. C. Data Only):								
Total Bus Miles Operated	28,524,266	29,618,885	32,162,722	8.6	2,450,038	2,350,702	2,118,555	(9.9)
Length of Bus Route Miles—One Way	7,630	7,666	7,585	(1.1)	2,314	1,970	1,235	(37.3)
Total Gallons Gasoline Purchased or Used	233,544	246,657	401,691	62.9	234,983	226,001	252,336	11.7
Total Gallons Diesel Fuel Purchased or Used	5,167,641	5,343,179	7,714,998	44.4	13,459	20,113	28,102	39.7
No. of Tickets Sold which Originated in N. C. (excludes charter)	Not Appl.	4,860,795	3,164,402	(34.9)	Not Appl.	913,669	2,036,170	122.9
Revenue for Tickets Originating in N. C. (excludes charter)	Not Appl.	$ 12,767,301	$ 13,192,432	3.3	Not Appl.	$ 330,146	$ 624,057	89.0
Average Revenue Per Ticket Originating in N. C. (excludes charter)	Not Appl.	2,63	$ 4.17	58.6	Not Appl.	$ .36	$ .31	(13.9)
Other Revenues Originating in N. C. by Charter & Express	Not Appl.	Not Appl.	$ 4,056,155	Not Appl.	Not Appl.	Not Appl.	$ 109,377	Not Appl.
Statistics (System-wide):								
Number of Revenue Passengers Carried	36,861,971	38,268,924	37,923,920	(.9)	3,219,280	2,737,414	2,606,042	(4.8)
Average Fare Per Passenger Carried	$ 2.26	$ 2.39	$ 2.58	7.9	$ 2.49	$ 2.97	$ 3.03	2.0
Average Number of Buses Owned	1,941	1,928	1,736	(10.0)	73	74	62	(16.2)
Average Number of Buses Operated[1]	1,705	1,971	1,803	(8.5)	55	64	56	(12.5)
Average Number of Employees	6,449	6,486	6,498	.2	81	80	136	70.0

[1] May include units leased and stand-by buses.

Not Appl.—Not applicable.
Not Avail.—Not available.

FIGURE NO. 38—Continued

MOTOR PASSENGER CARRIERS—INTERCITY—CLASSES I, II AND III

Summary of Selected Income Items and Operational Statistics

For the Calendar Years 1963, 1964 and 1965

(North Carolina and System-wide Data Noted)

Item	Class III ($50,000 or Under Operating Revenues) 1963	1964	1965	% Change More (Less) 1964 to 1965	Grand Totals 1963	1964	1965	% Change More (Less) 1964 to 1965
Number of Companies Included in this Data:								
Interstate Operator(s)	6	6	6		15	15	15	
Intrastate Operator(s)	27	27	27		31	31	31	
Operating Revenues (N. C. Portion)	$ 592,556	$ 644,363	$ 699,874	8.6	$ 16,613,624	$ 17,443,350	$ 18,300,133	4.9
Income Items (System-wide):								
Operating Revenues	$ 697,113	$ 754,618	$ 811,056	7.5	$104,710,792	$111,289,557	$119,078,866	7.0
Operating Expenses	654,796	692,037	707,716	2.3	86,062,490	93,063,067	97,324,713	4.6
Net Operating Revenues	42,317	62,581	103,340	65.1	18,648,302	18,226,490	21,754,153	19.4
Operating Ratio	93.93	91.71	87.26	(4.9)	82.19	83.62	81.73	(2.3)
Other Income or (Deductions)—Net	21,414	30,894	23,206	(24.9)	(8,142,255)	(8,357,492)	(9,613,576)	15.0
Net Income	$ 63,731	$ 93,475	$ 126,546	35.4	$ 10,506,047	$ 9,868,998	$ 12,140,577	23.0
Statistics (N. C. Data Only):								
Total Bus Miles Operated	Not Appl.	Not Appl.	Not Appl.	Not Appl.	30,974,304	31,969,587	34,281,277	7.2
Length of Bus Route Miles—One Way	do	do	do	do	9,944	9,636	8,820	(8.5)
Total Gallons Gasoline Purchased or Used	do	do	do	do	468,527	472,658	654,027	38.4
Total Gallons Diesel Fuel Purchased or Used	do	do	do	do	5,181,100	5,363,292	7,743,100	44.4
No. of Tickets Sold which Originated in N. C. (excludes charter)	do	do	do	do	Not Appl.	5,774,464	5,200,572	(9.9)
Revenue for Tickets Originating in N. C. (excludes charter)	do	do	do	do	Not Appl.	$ 13,097,447	$ 13,816,489	5.5
Average Revenue Per Ticket Originating in N. C. (excludes charter)	do	do	do	do	Not Appl.	$ 2.27	$ 2.66	17.2
Other Revenues Originating in N. C. by Charter & Express	do	do	do	do	Not Appl.	Not Appl.	$ 4,165,532	Not Appl.
Statistics (System-wide):								
Number of Revenue Passengers Carried	do	do	do	do	40,081,251	41,006,338	40,529,962	(1.2)
Average Fare Per Passenger Carried	do	do	do	do	$ 2.28	$ 2.43	$ 2.61	7.4
Average Number of Buses Owned	do	do	do	do	2,014	2,002	1,798	(10.2)
Average Number of Buses Operated[1]	do	do	do	do	1,760	2,035	1,859	(8.6)
Average Number of Employees	do	do	do	do	6,530	6,566	6,634	1.0

[1] May include units leased and stand-by buses.

Not Appl.—Not applicable.
Not Avail.—Not available.

FIGURE 39

MOTOR PASSENGER INTRACITY CARRIERS CLASSES I, II & III
Total Operating Revenues, Expenses And Ratio

Intracity Motor Passenger Carriers

In addition to the 12 fully regulated intracity carriers, there are 11 intracity carriers (See Fig. No. 41) under the Commission jurisdiction only as to their fares. These 23 intracity carriers are grouped as follows regarding size, type and scope of operations:

Classification		Number of Carriers
Class I	$200,000 or more annual operating revenue	9
Class II	$50,000 to $200,000 annual operating revenue	9
Class III	Under $50,000 annual operating revenue	5
Total		23

Type Carrier	
Common	23
Scope—All Intrastate	23

There was a net loss of three (3) intracity carriers during 1965; all were Class III's. They were: Chapel Hill Transit Lines, Inc., Concord Coach Company, Inc., and Goldsboro Transportation Company, Inc.

FIGURE NO. 41

INTRACITY CARRIERS FRANCHISED BY MUNICIPALITIES FARES ONLY REGULATED BY NORTH CAROLINA UTILITIES COMMISSION

Company	City Served
Charlotte City Coach Lines, Inc.	Charlotte
City Bus Line	Lexington
City Transit Company, Inc.	New Bern
Consolidated Bus Lines, Inc.	High Point
Consolidated Bus Lines, Inc.	Salisbury
Duke Power Company	Durham
Duke Power Company	Greensboro
Raleigh City Coach Lines, Inc.	Raleigh
Safe Bus Company, Inc.	Winston-Salem
Safety Transit Company	Rocky Mount
Wilson Transit Company	Wilson

Statistical Summary Data Comments—For statistical purposes, the 23 intracity carriers are grouped together as though all were fully regulated by the North Carolina Utilities Commission.

Operating revenues increased by 4.6 per cent to $6,876,659 in 1965. Operating expenses increased by 3.9 per cent, a somewhat slower rate, thereby producing a slight improvement in the operating ratio from 98.40 per cent in 1964 to 97.67 per cent in 1965. See Figure No. 39. These figures are composite and do not reflect the serious financial condition of many of the intracity carriers; for example, of the 9 Class I carriers, 4 had operating ratios for 1965 in excess of 100.0 per cent, four (4) of the 9 Class II's and 4 out of the 5 Class III's had operating ratios in excess of 100.0 per cent. Slightly more than half (12) of the 23 intracity carriers experienced operating losses during 1965.

As might be expected, total passengers hauled during 1965 showed a composite decrease for the 23 carriers of 2.4 per cent with about one-half (½) of each group of the carriers experiencing a decline in number of passengers hauled. Not affected by the decline in passengers hauled were the total number of school children which showed an increase of 23.4 per cent in 1965 over 1964. Additional financial and statistical data is shown in Figure No. 40.

Commission Orders of Special Interest

UNION BUS STATION ORDER—DOCKET NO. B-275, Sub 6—Pursuant to numerous complaints and allegations of serious violations of the Commission's Union Bus Station Rules, the Commission, on its own motion, instituted a formal investigation of the operations, practices and procedures at the forty (40) Union Bus Stations being operated in the State pursuant to G. S. 62-275 and Commission's Rules R2-55 and R2-56.

From evidence adduced at the formal hearing in Docket No. B-275, Sub 6, the Commission by order dated April 14, 1965, found, among other things, that Union Bus Stations at Asheville, Charlotte, Fayetteville, Gastonia, Goldsboro, Greensboro, Lenoir, Morganton, and Winston-Salem had given preferential treatment to carriers owning or controlling said stations to the detriment of other carriers and to the inconvenience and disadvantage of the travelling public. The order further held and required the establishment of a Board of Directors for each of said stations, said Board to be comprised of one representative for each of the carriers operating into the respective stations. In order to assure representation on the Boards which was adequate but which would tend more fully to assure balanced and fair government of the stations and to guard against competitive combinations by the dominant carrier interests against the minority carrier interests, the order specified the weight of each carrier's vote as a member of the Board of Directors therein established. Within the period of time (90 days) allowed, all of the named stations were in full compliance.

The wisdom of the Commission in this instance is reflected in the fact that there was an immediate reduction in the number of complaints, and by the end of the year, complaints of discriminatory or impartial practices at such stations were practically nil.

Transport Mobilization General Orders—Docket No. D-1

The Commission by order dated March 1, 1965, adopted for application to intrastate carriers within the State of North Carolina certain General Orders formulated by the Interstate Commerce Commission for control of motor transportation during a national emergency.

The orders adopted shall become effective as to intrastate commerce within North Carolina only upon the proclamation of the existence of a state of civil defense emergency by the President of the United States or by concurrent resolution of the Congress.

FIGURE NO. 40

MOTOR PASSENGER CARRIERS Intracity Classes I, II and III

Summary of Selected Income Items and Operational Statistics

For the Calendar Years 1963, 1964 and 1965

(All Intracity Carriers are Intrastate Operators Only)

Item	Class I ($200,000 or More—Operating Revenues) 1963	1964	1965	% Change More (Less) 1964 to 1965	Class II ($50,000 to $200,000—Operating Revenues) 1963	1964	1965	% Change More (Less) 1964 to 1965
Intracity Carriers- Regulated as to fares only*	5	5	5		3	3	3	
Carriers Fully Regulated Included in this data**	4	4	4		6	6	6	
Income Items								
Operating Revenues	$ 5,224,987	$ 5,443,113	$ 5,716,765	5.0	$ 966,930	$ 986,011	$ 1,014,721	2.9
Operating Expenses	5,215,566	5,368,139	5,612,001	4.5	924,822	953,748	957,303	.4
Net Operating Revenues	$ 9,421	$ 74,974	$ 104,764	39.7	$ 42,108	$ 32,263	$ 57,418	78.0
Operating Ratio	99.82	98.62	98.17	(.5)	95.65	96.73	94.15	(2.7)
Other Income or (Deductions)- Net	(30,227)	(97,553)	(65,967)	(32.4)	(9,421)	8,631	(10,508)	(121.7)
Net Income after taxes	$ 31,194[1]	$ 75,905[1]	$ 24,289[1]	(68.0)	$ 32,687	$ 40,894	$ 46,910	14.7
Statistics								
Length of Bus Route Miles- One way	720	699	732	4.7	519	509	498	(2.2)
Average Number of Buses Owned	389	374	368	(1.6)	134	128	126	(1.6)
Average Number of Buses Operated Daily	329	339	341	.6	97	80	81	1.3
Total Bus Miles Operated during Year	10,587,915	10,717,592	10,771,606	.5	2,869,181	2,901,850	2,855,776	(1.6)
Total Passengers Hauled during Year	29,854,702	34,380,760	33,528,894	(2.5)	5,191,038	5,573,093	5,462,482	(2.0)
Total School Passengers Hauled during the Year (This figure included in total Passengers hauled during Year)	Not Appl.	3,960,617	4,724,040	19.3	Not Appl.	568,652	881,056	54.9
Average Passenger Fare	$ .17	$ .15	$ .17	13.3	$ .17	$ .16	$ .18	12.5
School Passenger Fare Range- High-Low	Not Appl.	$ .10-$ .07	$ .12-$ .08	-0-	Not Appl.	$ .10-$ .05	$ .13-$ .05	Not Appl.
Average Number of Bus Drivers	449	452	462	2.2	87	108	87	(19.4)
Average Number of Full time N. C. Employees	665[2]	672[2]	662	(1.5)	171[3]	160[3]	141	(11.9)

* Duke Power Company serves both Durham and Greensboro but is treated as one franchise and one report for this purpose.

** For purposes of this study companies operating predominantly within a municipality are considered intracity carriers although they may hold certificate from the Utilities Commission for operations outside the municipal limits.

Not Appl.—Not Applicable.

Not Avail.—Not Available.

[1] Total Net Income figures are not inclusive for the group because of the omission of figures for Duke Power Co.

[2] Total Co. No. of Full time Employees.

[3] Includes part time employees: 1964-22; 1963-30.

FIGURE NO. 40—Continued

MOTOR PASSENGER CARRIERS—Intracity—Classes I, II and III
Summary of Selected Income Items and Operational Statistics
For the Calendar Years 1963. 1964 and 1965
(All Intracity Carriers are Intrastate Operators Only)

Item	Class III ($50,000 or Under—Operating Revenues) 1963	1964	1965	% Change More (Less) 1964 to 1965	Grand Totals 1963	1964	1965	% Change More (Less) 1964 to 1965
Intracity Carriers—Regulated as to fares only*	4	4	3		12	12	11	
Carriers Fully Regulated Included in this data**	4	4	2		14	14	12	
Income Items								
Operating Revenues	$ 143,752	$ 142,694	$ 145,173	1.7	$ 6,335,669	$ 6,571,818	$ 6,876,659	4.6
Operating Expenses	143,157	144,893	147,012	1.5	6,283,545	6,466,780	6,716,316	3.9
Net Operating Revenues	$ 595	$ (2,199)	$ (1,839)	(16.4)	$ 52,124	$ 105,038	$ 160,343	52.7
Operating Ratio	99.59	101.54	101.27	(.3)	99.18	98.40	97.67	(.7)
Other Income or (Deductions)—Net	4,567	(1,544)	(1,624)	5.2	(35,081)	(90,466)	(78,099)	(13.7)
Net Income after taxes	$ 5,162	(3,743)	(3,463)	(7.5)	$ 69,043[1]	$ 113,056[1]	$ 67,736[1]	(40.1)
Statistics								
Length of Bus Route Miles—One way	118	109	127	16.5	1,357	1,317	1,357	3.0
Average Number of Buses Owned	31	29	30	3.4	554	531	524	(1.3)
Average Number of Buses Operated Daily	17	19	19	–0–	443	438	441	.7
Total Bus Miles Operated during Year	595,327	597,799	559,187	(6.5)	14,052,423	14,217,241	14,186,569	(.2)
Total Passengers Hauled during Year	1,041,464	1,011,320	998,282	(1.3)	36,087,204	40,965,173	39,989,658	(2.4)
Total School Passengers Hauled during the Year (This figure included in total Passengers hauled during Year)	Not Appl.	153,795	173,362	12.7	Not Appl.	4,683,064	5,778,458	23.4
Average Passenger Fare	$ .14	$ .13	$ .14	7.7	$ .17	$ .15	$ .17	13.3
School Passenger Fare Range—High-Low	Not Appl.	$ .13-$ .10	$ .20-$ .08	Not Appl.	Not Appl.	Not Appl.	Not Appl.	Not Appl.
Average Number of Bus Drivers	18	20	19	(5.0)	554	580	568	(2.1)
Average Number of Full time N. C. Employees	25	27	29	7.4	861	859	832	(3.1)

* Duke Power Company serves both Durham and Greensboro but is treated as one franchise and one report for this purpose.
** For purposes of this study companies operating predominantly within a municipality are considered intracity carriers although they may hold certificate from the Utilities Commission for operations outside the municipal limits.
Not Appl.—Not Applicable.
Not Avail.—Not Available.
[1] Total Net Income figures are not inclusive for the group because of the omission of figures for Duke Power Co.
[2] Total Co. No. of Full time Employees.
[3] Includes part time employees: 1964-22; 1963-30.

VI. The Transportation Industry - Rail

FIGURE 42

MAP OF
NORTH CAROLINA RAILROADS
PREPARED BY
NORTH CAROLINA UTILITIES COMMISSION
RALEIGH, N.C.

1965

NOTE: Figures shown denote miles between Junctions

— Railroads

o County Seats

• Other Towns or Junctions

JUNCTIONS NOT SHOWN

Dixie (SAL-L&S) 2 miles east of Laurinburg

Edwards Jct (A&EC-NS) 2 miles west of New Bern

Cliffside Jct (SAL CLIFFSIDE) 1 mile north of Henrietta

Ellenboro-Cliffside Jct (SAL—6 miles)

Cliffside Jct —Cliffside (Cliffside RR 3 mi.)

Cliffside to Avondale (Cliffside RR 1 mi.)

RALEIGH
ROXBORO
YANCEYVILLE
CASWELL
ORANGE
HILLSBORO
GRAHAM
ALAMANCE
Chapel Hill
DURHAM
OXFORD
HENDERSON
WARRENTON
Norlina
Warren Plains
Roanoke Rapids
Weldon
HALIFAX
JACKSON
NORTHAMPTON
Murfreesboro
WINTON
GATES
GATESVILLE
CURRITUCK
CAMDEN
ELIZABETH CITY
HERTFORD
EDENTON
WINDSOR
PLYMOUTH
COLUMBIA
MANTEO
DARE
TYRRELL
WILLIAMSTON
WASHINGTON
HYDE
SWANQUARTER
Belhaven
Pinetown
GREENVILLE
TARBORO
Rocky Mount
NASHVILLE
LOUISBURG
Franklinton
Wake Forest
Cary
Apex
WILSON
Clayton
SMITHFIELD
Selma
GOLDSBORO
SNOW HILL
KINSTON
NEW BERN
TRENTON
BAYBORO
PAMLICO
CARTERET
BEAUFORT
Morehead City
Havelock
CAMP LEJEUNE JCT.
JACKSONVILLE
ONSLOW
KENANSVILLE
DUPLIN
PENDER
BURGAW
WILMINGTON
NEW HANOVER
SOUTHPORT
BRUNSWICK
WHITEVILLE
Chadbourn
Tabor City
COLUMBUS
ELIZABETHTOWN
BLADEN
LUMBERTON
ROBESON
Pembroke
Maxton
LAURINBURG
Hamlet
RAEFORD
FAYETTEVILLE
Hope Mills
CUMBERLAND
Saint Pauls
Parkton
Red Springs
LILLINGTON
HARNETT
Erwin
Dunn
Benson
CLINTON
SAMPSON
Warsaw
Mount Olive
WAYNE
SANFORD
Jonesboro
CARTHAGE
MOORE
Southern Pines
Aberdeen
PITTSBORO
CHATHAM
Siler City
Moncure
Fuquay
Varina
Lassiter
Enfield
Scotland Neck
Hobgood
Lewiston
Kelford
Ahoskie
Parmele
Farmville
Ayden
Bridgeton
Skibo
Fort Bragg

FIGURE NO. 43

RAILROADS OPERATING IN NORTH CAROLINA AS OF DECEMBER 31, 1965

Name	Main Business Office	Class	Abbreviation	Mileage		
				North Carolina	System	Per Cent in North Carolina
1. Aberdeen and Rockfish Railroad Company	Aberdeen, N. C.	II	A & R	46	46	100.0
2. Alexander Railroad Company	Taylorsville, N. C.	II	ARC	19	19	100.0
3. Atlantic and East Carolina Railway Company	Washington, D. C.	II	A & EC	95	95	100.0
4. Atlantic and Western Railway Company	Sanford, N. C.	II	A & W	3	3	100.0
5. Atlantic Coast Line Railroad Company	Jacksonville, Fla.	I	ACL	992	5,721	17.3
6. Beaufort and Morehead Railroad Company, A. T. Leary, Lessee	Beaufort, N. C.	II	B & MH	3	3	100.0
7. Camp Lejeune Railroad Company	Washington, D. C.	II	CLRR	30	30	100.0
8. Cape Fear Railways, Incorporated	Fort Bragg, N. C.	II	CFR	10	10	100.0
9. Carolina and Northwestern Railway Company	Washington, D. C.	II	CAR & NW	157	284	55.3
10. Cliffside Railroad Company	Cliffside, N. C.	II	Cliff	4	4	100.0
11. Clinchfield Railroad Company	Erwin, Tennessee	I	CC & O	117	306	38.2
12. Durham and Southern Railway Company	Durham, N. C.	II	D & S	59	59	100.0
13. East Carolina RailwayB	Jacksonville, Fla.	II	EC	29	29	100.0
14. Graham County Railroad Company	Robbinsville, N. C.	II	GCRR	12	12	100.0
15. High Point, Thomasville & Denton Railroad Company	High Point, N. C.	II	HPT & D	34	34	100.0
16. Laurinburg and Southern Railroad Company	Laurinburg, N. C.	II	L & S	28	28	100.0
17. Louisville and Nashville Railroad Company	Louisville, Kentucky	I	L & N	14	5,645	.3
18. Norfolk and Western Railway Company	Roanoke, Va.	I	N & W	115	7,553	1.5
19. Norfolk, Franklin and Danville Railway Company	Suffolk, Va.	II	NF & D	22	202	10.9
20. Norfolk Southern Railway Company	Raleigh, N. C.	I	NS	544	593	91.7
21. Piedmont and Northern Railway Company	Charlotte, N. C.	I	P & N	50	150	33.3
22. Rockingham Railroad Company	Rockingham, N. C.	II	Rock	19	19	100.0
23. Seaboard Air Line Railroad Company	Richmond, Va.	I	SAL	628	4,122	15.2
24. Southern Railway Company	Washington, D. C.	I	Sou	1,283	6,253	20.5
25. State University Railroad Company	Washington, D. C.	II	SURR	10	10	100.0
26. Virginia and Carolina Southern Railroad Company	Lumberton, N. C.	II	V & CS	27	27	100.0
27. Warrenton Rail Road Company	Warrenton, N. C.	II	War	3	3	100.0
28. Winston-Salem Southbound Railway Company	Jacksonville, Fla.	II	WSS	98	98	100.0
29. Yancey Railroad Company	Burnsville, N. C.	II	Yancey	13	13	100.0
Totals				4,464	31,371	14.2

Class I—Railroads having annual revenues of $5,000,000 or more.A
Class II—Railroads having annual revenues less than $5,000,000.A
AChanged to $5,000,000 or more effective January 1, 1965—previous years.
Class I Railroads had to have $3,000,000 or more Revenues and
Class II Railroads had less than $3,000,000 annual revenues.
BEntire railroad abandoned November 16, 1965 per ICC Finance Docket No. 22, 125, Decided July 1, 1964.

VI. THE TRANSPORTATION INDUSTRY—RAIL

Twenty-nine (29) railroads operate 4,464 miles of trackage in North Carolina and are subject to jurisdiction of the Utilities Commission (See Figure No. 43). These companies are classified as follows:

Type	Description	Number
Class I	$3,000,000 or more annual revenue	8
Class II	Less than $3,000,000 annual revenue	21

All of the Class I railroads in North Carolina have operations in other states; all except two (2) of the Class II railroads confine their operations to the State. The Class I railroads represent over 95 per cent of total rail activity in the State and have a combined annual gross revenue allocated to North Carolina of about 16 times that of the combined revenue for Class II railroads.

Statistical Summary Data

Gross operating revenues allocated to North Carolina rose $5,539,000 or 3.9 per cent, to a total of $149,320,000. Operating expenses allocated to North Carolina increased 4.5 per cent in 1965, while total system operating expenses increased 23.6 per cent. Net operating revenues allocated to North Carolina increased at a rate of 1.8 per cent or by $623,000 in 1965. System-wide net operating revenue increased 22 per cent to $454,809,000.

The eight (8) Class I railroads operating within the State showed an increase during 1965 in system-wide net profit of 14 per cent over 1964. None of the Class I railroads reported net losses for 1965 while one (1) did have a net loss in 1964. The twenty-one (21) Class II railroads fared much worse. They had a composite decrease in net income of 27.7 per cent or from $552,000 in 1964 to $399,000 in 1965. Seven (7) of the Class II's showed a net loss in 1965 vs. four (4) in 1964. The small railroads are generally having a more difficult time turning a profit than are the larger railroads regardless of their area of operations.

Passenger train service in North Carolina followed the national pattern and decreased in passengers hauled by 2.1 per cent with related passenger revenue decreasing by 2.9 per cent.

Freight activity attributable to North Carolina by both classes of railroads increased during 1965 in several ways:

A. Revenues were up 8.5 per cent to 138 million dollars.
B. Tons of freight hauled were up 7.8 per cent to 96 million tons.
C. Freight revenue per ton changed slightly from $1.42 in 1964 to $1.43 in 1965.

Tons of freight originating in North Carolina increased by 796,422 tons or 4.8 per cent in 1965 over 1964. This increase brought total railroad freight tonnage originating in North Carolina to 17,471,641 tons which reflects to some extent the rising industrial and economic level of activity in North Carolina. Figure No. 45 shows the tons of revenue freight originating in the State by group and commodity for the years 1960-1965.

The number of railroad employees residing in North Carolina continued to decrease as the railroads continue to automate and increase operating efficiency.

See Figure No. 46 for additional financial and statistical data on the Class I and II railroads.

Rail Crossings

There are 4,421 highway-railroad grade crossings in North Carolina. Sixty-four (64) deaths and 144 injuries occurred at these crossings in 1965. The Utilities Commission has very limited jurisdiction in the elimination of grade crossings and the erection of signalling devices at them since jurisdiction over state highway system roads and links therein, including the proration of costs of relocation and signalling devices, is in the Highway Commission with a statutory provision that 90 per cent of such costs are to be borne by the Highway Commission.

Railroad Hearings of Interest

ICC FINANCE DOCKET NO. 22833—NORFOLK SOUTHERN RAILWAY COMPANY CONSTRUCTION AND OPERATION IN BEAUFORT COUNTY, NORTH CAROLINA. The Norfolk Southern Railway Company applied to the Interstate Commerce Commission for authority to construct and operate trackage in Beaufort County to serve a new phosphate mining operation being developed. The Atlantic Coast Line sought similar authority. The Utilities Commission intervened on behalf of Norfolk Southern because of its relatively poor financial condition and with the thought it is necessary to keep the operation viable. The Traffic Department prepared and furnished exhibits and statements of rates to the Utilities Commission expert witness who testified in this proceeding. The majority of the work was done in 1964; however, the final decision was rendered by the ICC in 1965. This decision was favorable to the Norfolk Southern, and construction and operation of the trackage was scheduled to be effective November 1966.

ICC DOCKET NO. 34607—AGGREGATES IN ARTICULATED CARS. This cause arose by the filing of a joint complaint with the Interstate Commerce Commission by the Atlantic Coast Line Railroad Company and the Seaboard Air Line Railroad Company assailing the intrastate rates of the Southern Railway, and its subsidiary, Carolina and Northwestern Railway Company, applicable on shipments of aggregates in articulated cars moving in intrastate commerce in North Carolina, South Carolina, and Virginia as being non-compensatory, unjust, and unreasonable, and casting an undue burden on interstate commerce in violation of the Interstate Commerce Act. During 1965 the Utilities Commission intervened in support of Southern's lower rates and the Traffic Department prepared and furnished statements of rates to the Commission's General Counsel for his use in these proceedings. A final order was entered November 1, 1966, in which the ICC found Southern's intrastate rates not shown to be unjust or unreasonable and allowed the rates to remain in effect.

FIGURE NO. 45

TONS (2,000 LBS.) OF REVENUE FREIGHT BY COMMODITY TYPE
ORIGINATING WITHIN THE STATE OF NORTH CAROLINA
ON THE 29 CLASS I AND II RAILROADS UNDER REGULATION
Data for the Years 1965, 1964, 1963 and 1960

Group and Commodity a	Tons of Revenue Freight Originating in State				Per Cent Change More (Less)		
	1965	1964	1963	1960	1965 over 1964	1964 over 1963	1963 over 1960
Group I—Products of Agriculture	1,487,739	1,304,709	740,529	766,183	14.0	76.2	(3.3)
Group II—Animals and Products	6,996	13,210	28,697	36,318	(47.0)	(54.0)	(21.0)
Group III—Products of Mines	5,421,150	5,587,621	5,066,696	4,903,639	(3.0)	10.3	3.3
Group IV—Products of Forests	4,638,721	4,317,844	3,616,897	3,646,664	7.4	19.4	(.8)
Group V—Manufacturers and Miscellaneous	5,883,743	5,406,768	5,139,607	4,294,405	8.8	5.2	19.7
Group VI—Forwarder Traffic	Not Applicable						
Group VII—All Less than Carload Freight (LCL)	33,292	45,067	49,685	91,761	(26.1)	(9.3)	(45.9)
Total for All Groups	17,471,641	16,675,219	14,642,111	13,738,970	4.8	13.9	6.6

a Commodities were regrouped in 1964. Group data for 1964 and 1963 may not be completely comparable. Total for all groups data is comparable.

FIGURE 44

RAILROAD CLASSES I & II
OPERATING REVENUES, EXPENSES AND RATIO
(North Carolina Data Only)

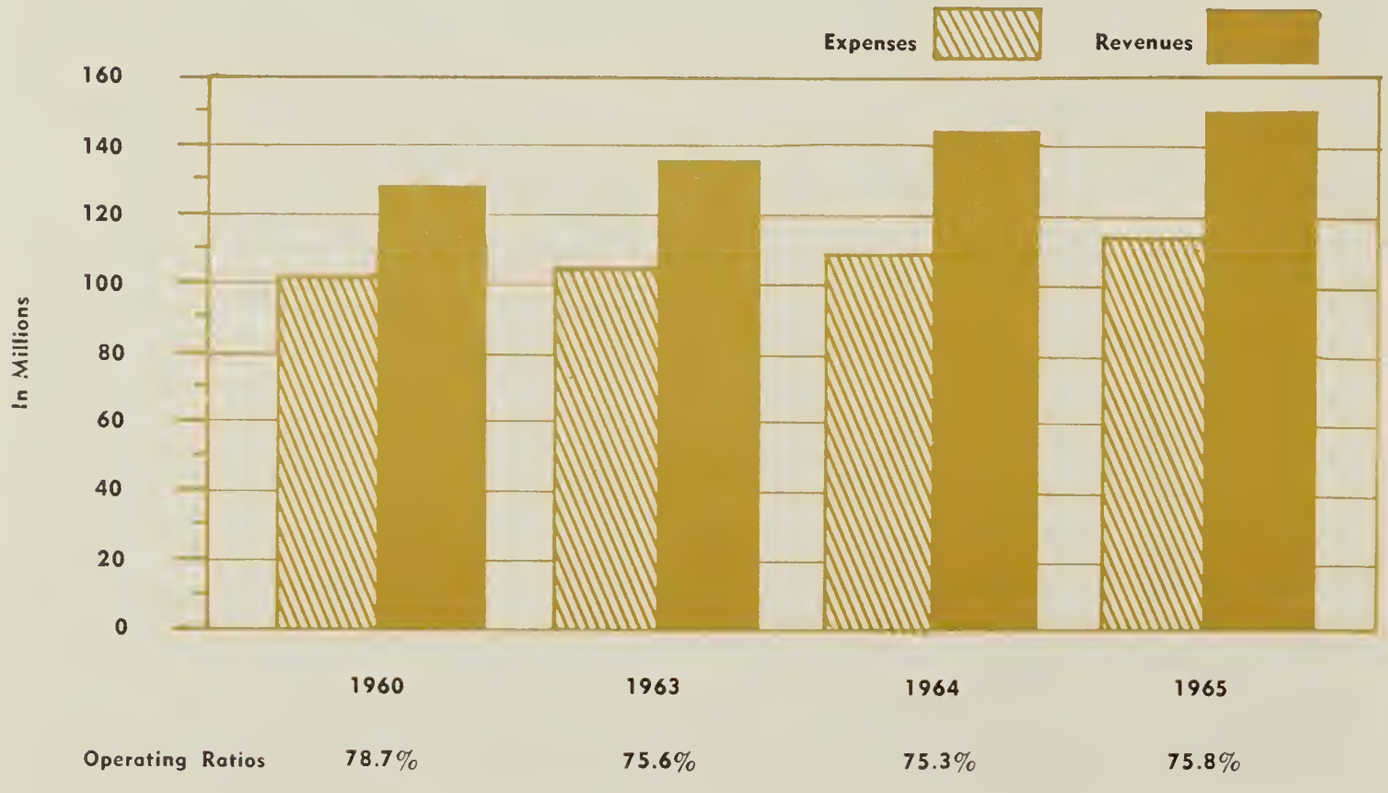


FIGURE NO. 46

RAILROADS—CLASS I AND II

Summary of Selected Income, Expense, Balance Sheet and Statistical Items for the Calendar Years 1960, 1963, 1964 and 1965

All Railroads Under Regulation Included in this Data

Items	Allocation of Data	Class I ($5,000,000 or More—Operating Revenues) 1960	1963	1964	1965	Per Cent Change More (Less) 1960 to 1963	1963 to 1964	1964 to 1965
Number of Companies covered by Data		8	8	8	8			
Income and Expense Items (in thousands)								
Operating Revenues (000)	N. C.	$ 120,401	$ 129,839	$ 135,309	$ 140,701	7.8	4.2	4.0
	Total	1,083,951	1,184,585	1,290,849	1,592,074	9.3	9.0	23.3
Operating Expenses[3] (000)	N. C.	95,518	99,024	103,148	107,743	3.7	4.2	4.5
	Total	866,136	939,956	922,121	1,141,031	8.5	(1.9)	23.7
Net Revenues from Railway Operations (000)	N. C.	24,883	30,815	32,161	32,958	23.8	4.4	2.5
	Total	217,815	244,629	368,728	451,043	12.3	50.7	22.3
Operating Ratio (Per Cent)	N. C.	79.33%	76.27%	76.23%	76.58%	(3.9)	(.1)	.5
	Total	79.91%	79.35%	71.44%	71.67%	(.7)	(10.0)	.3
Fixed Charges (000)	Total	48,233	52,296	76,934	82,308	8.4	47.1	7.0
Net Income (000)	Total	128,663	154,559	161,971	184,718	20.1	4.8	14.0
State Income Taxes (000)	N. C.	Na	Na	498	412	Na	Na	(17.3)
Real Estate & Personal Property Taxes (000)	N. C.	Na	Na	3,385	3,394	Na	Na	.3
Other N. C. Taxes (000)	N. C.	Na	Na	615	758	Na	Na	23.3
Total tax accruals (000)	N. C.	Na	Na	4,508	4,564	Na	Na	1.2
	Total	Na	Na	153,744	156,653	Na	Na	1.9
Balance Sheet Items (in thousands)								
Net Book Value of Transportation Property	Total	$ 2,873,588	$ 3,133,941	$ 3,607,674	$ 3,816,261	9.1	15.1	5.8
Statistics								
Average Mileage of Road Operated	N. C.	3,722	3,728	3,748	3,743	.2	.5	(.1)
	Total	25,434	25,556	30,387	30,343	.5	18.9	(.1)
Freight Revenue (in thousands)	N. C.	$ 104,098	$ 114,228	$ 119,394	$ 130,134	9.7	4.5	9.0
	Total	958,647	1,061,956	1,163,535	1,449,866	10.8	9.6	24.6
Tons of Revenue Freight Hauled	N. C.	63,635,589	75,223,499	80,356,188	86,772,376	18.2	6.8	8.0
	Total	348,481,324	389,357,555	427,199,000	506,306,898	11.7	9.7	18.5
Freight Revenue Per Ton	N. C.	$ 1.64	$ 1.52	$ 1.49	$ 1.50	(7.3)	(2.0)	.7
	Total	$ 2.75	$ 2.73	$ 2.72	$ 2.86	(.7)	(.4)	5.1
Gallons Diesel Fuel Purchased or Used	N. C.	41,614,294	44,213,977	45,186,938	49,948,883	6.2	2.2	10.5
Passenger Revenue	N. C.	$ 8,794,565	$ 7,852,297	$ 7,778,897	$ 7,549,847	(10.7)	(.9)	(2.9)
Passengers Hauled	N. C.	2,009,385	1,758,970	1,802,307	1,763,678	(12.5)	2.5	(2.1)
Revenue Per Passenger	N. C.	$ 4.38	$ 4.46	$ 4.32	$ 4.28	1.8	(3.1)	(.9)
Number of Employees Allocated	N. C.	9,978	8,696	8,370	7,802	(12.8)	(3.7)	(6.8)
Total Compensation of Employees[2]	N. C.	$ 56,258,447	$ 50,835,837	$ 52,323,483	$ 53,604,342	(9.6)	2.9	2.4
Average Annual Compensation Per Employee	N. C.	$ 5,163	$ 5,195	$ 6,251	$ 6,871	.6	20.3	9.9
Highway—Railroad Grade Crossing	N. C.	3,779	3,447	3,441	3,448	(8.8)	(.2)	.2
Number Killed—Grade Crossing Accidents	N. C.	Not Avail.	Not Avail.	45	57	Not Avail.	Not Avail.	26.7
Number Injured—Grade Crossing Accidents	N. C.	do	do	107	133	do	do	24.3

[1] All Class II roads did not report.
[2] Includes some estimated data.
[3] Before tax accruals and net rents.
[4] Includes Federal taxes.
Na or Not Avail.—Not Available.

FIGURE NO. 46—Continued

RAILROADS—CLASS I AND II

Summary of Selected Income, Expense, Balance Sheet and Statistical Items for the Calendar Years 1960, 1963, 1964 and 1965

All Railroads Under Regulation Included in this Data

Items	Allocation of Data	Class II—All Class II Railroads Except Two are Wholly Intrastate (Less than $5,000,000—Operating Revenues) 1960	1963	1964	1965	Per Cent Change More (Less) 1960 to 1963	1963 to 1964	1964 to 1965
Number of Companies covered by Data		21	21	21	21			
Income and Expense Items (in thousands)								
Operating Revenues (000)	N. C.	$ 7,104	$ 7,870	$ 8,472	$ 8,619	10.8	7.6	1.7
	Total	9,913	10,853	11,306	11,390	9.5	4.2	.7
Operating Expenses[3] (000)	N. C.	4,771	5,121	5,162	5,483	7.3	.8	6.2
	Total	6,888	7,204	7,166	7,624	4.6	(.5)	6.4
Net Revenues from Railway Operations (000)	N. C.	2,333	2,749	3,310	3,136	17.8	20.4	(5.3)
	Total	3,025	3,649	4,140	3,766	20.6	13.5	(9.0)
Operating Ratio (Per Cent)	N. C.	67.16%	65.07%	60.93%	63.62%	(3.1)	(6.4)	4.4
	Total	69.48%	66.38%	63.38%	66.94%	(4.5)	(4.5)	5.6
Fixed Charges (000)	N. C.	485	385	519	615	(20.6)	34.8	18.5
Net Income (000)	Total	(211)	349	552	399	165.4	58.2	(27.7)
State Income Taxes (000)	N. C.	Na	Na	48	35	Na	Na	(27.1)
Real Estate & Personal Property Taxes (000)	N. C.	Na	Na	148	157	Na	Na	6.1
Other N. C. Taxes (000)	N. C.	Na	Na	441[4]	331[4]	Na	Na	(24.9)
Total Tax Accruals (000)	N. C.	Na	Na	637	523	Na	Na	(17.9)
	Total	Na	Na	925	848	Na	Na	(8.3)
Balance Sheet Items (in thousands)								
Net Book Value of Transportation Property	Total	$ 11,797	$ 11,821	$ 16,521	$ 17,799	.2	39.8	7.7
Statistics								
Average Mileage of Road Operated	N. C.	697	700	721	721	.4	3.0	–0–
	Total	1,037	1,032	1,031	1,028	(.5)	(.1)	(.3)
Freight Revenue (in thousands)	N. C.	$ 6,930	$ 7,623	$ 8,198	$ 8,261	10.0	7.5	.8
	Total	9,696	10,538	10,961	10,954	8.7	4.0	(.1)
Tons of Revenue Freight Hauled	N. C.	7,348,480	8,490,147	9,340,448	9,960,601	15.5	10.0	6.6
	Total	9,008,882	10,237,241	10,769,186	11,464,364	13.6	5.2	6.5
Freight Revenue Per Ton	N. C.	94c	90c	88c	83c	(4.3)	(2.2)	(5.7)
	Total	$ 1.08	$ 1.03	$ 1.02	96c	(4.6)	(1.0)	(5.9)
Gallons Diesel Fuel Purchased or Used	N. C.	1,285,794	1,313,280	1,525,138	1,757,426	2.1	16.1	15.2
Passenger Revenue	N. C.	$ 1,714	$ 755	$ 470	$ 592	(56.0)	(37.7)	26.0
Passengers Hauled	N. C.	3,334	446	702	844	(86.6)	57.4	20.2
Revenue Per Passenger	N. C.	$ .51	$ 1.69	$ .67	$ .70	231.4	(296.4)	4.5
Number of Employees Allocated	N. C.	599	547	542	584	(8.7)	(.9)	7.7
Total Compensation of Employees[2]	N. C.	$ 2,513,665	$ 2,562,329	$ 2,614,056	$ 2,851,283	1.9	2.0	9.1
Average Annual Compensation Per Employee	N. C.	$ 3,529	$ 4,146	4,251	4,331	17.5	2.5	1.9
Highway—Railroad Grade Crossing	N. C.	640[1]	643[1]	729	973	.5	13.4	33.5
Number Killed—Grade Crossing Accidents	N. C.	Not Avail.	Not Avail.	2	7	Not Avail.	Not Avail.	250.0
Number Injured—Grade Crossing Accidents	N. C.	do	do	26	11	do	do	(57.7)

[1] All Class II roads did not report.

[2] Includes some estimated data.

[3] Before tax accruals and net rents.

[4] Includes Federal taxes.

Na or Not Avail—Not Available.

FIGURE NO. 46—Continued

RAILROADS—CLASS I AND II

Summary of Selected Income, Expense, Balance Sheet and Statistical Items for the Calendar Years 1960, 1963, 1964 and 1965

All Railroads Under Regulation Included in this Data

Items	Allocation of Data	Class I and II Totals 1960	1963	1964	1965	Per Cent Change More (Less) 1960 to 1963	1963 to 1964	1964 to 1965
Number of Companies covered by Data		29	29	29	29			
Income and Expense Items (in thousands)								
Operating Revenues	N. C.	$ 127,505	$ 137,709	$ 143,781	$ 149,320	8.0	4.4	3.9
	Total	1,093,864	1,195,438	1,302,155	1,603,464	9.3	8.9	23.1
Operating Expenses[3]	N. C.	100,289	104,145	108,310	113,226	3.8	4.0	4.5
	Total	873,024	947,160	929,287	1,148,655	8.5	(1.9)	23.6
Net Revenues from Railway Operations	N. C.	27,216	33,564	35,471	36,094	23.3	5.7	1.8
	Total	220,840	248,278	372,868	454,809	12.4	50.2	22.0
Operating Ratio (Per Cent)	N. C.	78.65%	75.63%	75.33%	75.83%	(3.8)	(.4)	.7
	Total	79.81%	79.23%	71.37%	71.64%	(.7)	(9.9)	.4
Fixed Charges	Total	48,718	52,681	77,453	82,923	8.1	47.0	7.1
Net Income	Total	128,452	154,908	162,523	185,117	20.6	4.9	13.9
State Income Taxes	N. C.	Na	Na	546	447	Na	Na	(18.1)
Real Estate & Personal Property Taxes	N. C.	Na	Na	3,533	3,551	Na	Na	.5
Other N. C. Taxes	N. C.	Na	Na	1,056	1,089	Na	Na	3.1
Total tax accruals	N. C.	Na	Na	5,145	5,087	Na	Na	(1.1)
	Total	Na	Na	154,669	157,501	Na	Na	1.8
Balance Sheet Items (in thousands)								
Net Book Value of Transportation Property	Total	$ 2,885,385	$ 3,145,762	$ 3,624,195	$ 3,834,060	9.0	15.2	5.8
Statistics								
Average Mileage of Road Operated	N. C.	4,419	4,428	4,469	4,464	.2	.9	(.1)
	Total	26,471	26,588	31,418	31,371	.4	18.2	(.1)
Freight Revenue (in thousands)	N. C.	$ 111,028	$ 121,851	$ 127,592	$ 138,395	9.7	4.7	8.5
	Total	968,343	1,072,494	1,174,496	1,460,820	10.8	9.5	24.4
Tons of Revenue Freight Hauled	N. C.	70,984,069	83,713,646	89,696,636	96,732,977	17.9	7.1	7.8
	Total	357,490,206	399,594,796	437,968,186	517,771,262	11.8	9.6	18.2
Freight Revenue Per Ton	N. C.	$ 1.56	$ 1.46	$ 1.42	$ 1.43	(6.4)	(2.7)	.7
	Total	$ 2.71	$ 2.68	$ 2.68	$ 2.82	(1.1)	-0-	5.2
Gallons Diesel Fuel Purchased or used	N. C.	42,900,088	45,527,257	46,712,076	51,706,309	6.1	2.6	10.7
Passenger Revenue	N. C.	$ 8,796,279	$ 7,853,052	$ 7,779,367	$ 7,550,439	(10.7)	(.9)	(2.9)
Passengers Hauled	N. C.	2,012,719	1,759,416	1,803,009	1,764,522	(12.6)	2.5	(2.1)
Revenue Per Passenger	N. C.	$ 4.37	$ 4.46	$ 4.31	$ 4.28	2.1	(3.4)	(.7)
Number of Employees Allocated	N. C.	10,577	9,243	8,912	8,386	(12.6)	(4.3)	(4.0)
Total Compensation of Employees[2]	N. C.	$ 58,772,112	$ 53,398,166	$ 54,937,539	$ 56,455,625	(9.1)	2.9	2.8
Average Annual Compensation Per Employee	N. C.	$ 5,557	$ 5,777	6,164	6,732	4.0	6.7	9.2
Highway—Railroad Grade Crossing	N. C.	4,419	4,090	4,170	4,421	(7.4)	2.0	6.0
Number Killed—Grade Crossing Accidents	N. C.	Not Avail.	Not Avail.	47	64	Not Avail.	Not Avail.	36.2
Number Injured—Grade Crossing Accidents	N. C.	do	do	133	144	do	do	8.3

[1] All Class II roads did not report.

[2] Includes some estimated data.

[3] Before tax accruals and net rents.

Na or Not Avail.—Not Available.

VII. Water And Sewer Companies

FIGURE NO. 47

WATER AND SEWER SYSTEMS CERTIFICATES OF CONVENIENCE AND NECESSITY GRANTED DURING 1965

Company	Date of Order	Docket & Sub. No.	Type Service	General Service Area	Initial No. of Customers or Lots to be served
Arthur Utilities, Inc.	5-28-65	W-198	Water	Montclair Subdivision (near Jacksonville)	31
Arthur Utilities, Inc.	8-23-65	W-198, Sub 1	Water	Oak Ridge Subdivision (near Jacksonville)	61
Aqua Company	3-15-65	W-190	Water	South Gate Area (near New Bern)	14
Beatties Ford Utilities, Inc.	3-24-65	W-192	Water & Sewer	Beatties Ford Park Subdivision (near Charlotte)	36
Caviness Plumbing Contractor	8-9-65	W-201	Water & Sewer	Scotsdale Subdivision (Seventy-First Township)	59
Cliffdale Water Company	8-18-65	W-203	Water	Eccles Park (near Fayetteville)	75
Colony Park Utilities	11-24-65	W-208	Water	Colony Park Subdivision (Durham)	66
Derita Wood Utilities, Inc.	3-24-65	W-191	Water & Sewer	Derita Woods Subdivision (near Charlotte)	30
Harrington Construction, Inc.	8-3-65	W-199	Water	Braxton Hills & Valley Forge (near Fayetteville)	75
Jemaca Enterprises	2-19-65	W-195	Water	Crestview Subdivision (near Kinston)	26
Kindellwood Water Company, Inc.	7-14-65	W-196	Water	Kendall Development & The Oaks Subdivision (near Fayetteville)	132
La Grange Waterworks Corporation	8-23-65	W-200	Water	La Grange Subdivision (near Fayetteville)	174
Sharon Utilities, Inc.	3-24-65	W-193	Water & Sewer	British Woods and Starmount Subdivision (near Charlotte)	21
Springfield Utilities, Inc.	3-24-65	W-194	Water & Sewer	Springfield Subdivision (near Charlotte)	35
Walnut Creek Estates, Inc.	11-4-65	W-207	Water & Sewer	Walnut Creek Estates, Inc. (7 miles east of Goldsboro)	25

VII. WATER AND SEWER SERVICES

A total of 117 water and sewer companies were under Commission regulation at December 31, 1965. Those persons or companies selling water to less than twenty-five (25) residential customers are by statute exempted from regulation.

New water and sewer companies generally are not formed as independent profit-making ventures; rather they generally come into existence by capitalization from the developers of subdivisions who must arrange for central systems to enhance the market for their land and houses. Very often these new companies are adjoining or near municipalities with immediate likelihood that the city will encompass the area and take over the water and sewer system from the original owner.

During 1965, fourteen (14) additional certificates of public convenience and necessity were issued to water and sewer companies. (See Figure No. 47.) Two (2) water and sewer companies went out of regulation through approved sale, transfer, or merger, and two (2) were permitted to abandon service upon cancellation of their certificates.

Prior to issuing a Certificate of Public Convenience and Necessity to a water company, the Commission, among other things, requires complete cost and rate data, approval by appropriate health authorities, proof of adequate design and supply potential, and financial qualifications. Customer service complaints are substantial. These are investigated and settled informally, or if necessary, resolved through public hearings.

Statistical Summary Data

Of the 117 water and sewer companies under regulation as of December 31, 1965, only 34 have operations large enough and records in sufficient detail to permit reliable comparative data to be developed. The financial and statistical data for these 34 companies is shown in summary form in Figure No. 48. Most of the analysis that follows is based on data of the 34 companies grouped as follows:

- 7 Class C Companies—$50,000 and over annual gross operating revenues
- 7 Class D Companies—$10,000 to $50,000 annual gross operating revenues
- 20 Companies with $3,000 to $10,000 annual gross operating revenues

During 1965 about 8.0 per cent of the hearings before the Commission involved water and sewer companies, and a large volume of staff work was required in their regulation. The water and sewer companies serve only about 25,000 customers. Of the 117 companies regulated, 65 have 200 or less customers, while only 6 have as many as 1,000 customers. Hamlet Water Company, with 3,268 customers, is the largest company under regulation.

Average use of water per residential customer per month among regulated companies is about 5,416 gallons, for which the customer pays an average of about $4.37. This is a slight increase in usage and a decrease in cost.

Gross plant investment for the 34 selected water and sewer companies increased by 12.4 per cent to $8,036,377 in 1965. This was equal to a gross plant investment per customer of $403.39 vs. $379.95 in 1964 or an increase of 6.2 per cent.

Operating revenues, expenses and net operating revenues showed a slight increase in 1965 over 1964 with the operating ratio remaining almost constant at 93.2 per cent in 1965 vs. 93.1 per cent for 1964.

FIGURE NO. 48

WATER AND SEWER COMPANIES

Summary of Selected Financial and Statistical Data of 34 Water Companies of Various Sizes Operating in North Carolina

Data for the Calendar Years Ending December 31, 1960, 1963, 1964 and 1965

Item	Years				Per Cent Change—More (Less)		
	1960	1963	1964	1965	1960 to 1963	1963 to 1964	1964 to 1965
Total Companies Regulated	94	107	106	117			
Total Companies included in this Data	34	34	34	34			
Income Items							
Operating Revenues	$ 685,377	$1,063,449	$1,053,938	$1,100,018	55.2	(.9)	4.4
Expense Items							
Operation and Maintenance	$ 419,048	$ 574,143	$ 624,141	$ 651,574	37.0	8.7	4.3
Depreciation and Amortization	108,100	201,051	197,140	222,761	86.0	(1.9)	13.0
Taxes Other Than Income Taxes	66,263	94,768	90,429	98,274	43.0	(4.6)	8.7
Federal Income Taxes	19,746	59,824	54,205	43,519	203.0	(9.4)	(19.7)
State Income Taxes	$ 3,979	$ 11,940	$ 15,677	$ 9,841	200.0	31.3	(37.2)
Total Operating Expenses	$ 617,136	$ 941,726	$ 981,592	$1,025,969	52.6	4.2	4.5
Net Operating Revenues	$ 68,241	$ 121,723	$ 72,346	$ 74,049	78.4	(40.6)	2.4
Operating Ratio (Total Operating Expenses to Total Operating Revenues)	90.0	88.6	93.1	93.2	(1.6)	5.1	.1
Balance Sheet Items							
Utility Plant in Service (Gross)	$4,776,583	$7,011,279	$7,148,451	$8,036,377	46.8	2.0	12.4
Depreciation and Amortization Reserve	1,583,953	2,136,147	2,243,170	2,386,304	34.9	5.0	6.4
Utility Plant in Service (Net)	$3,192,630	$4,875,132	$4,905,281	$5,650,073	52.7	.6	15.2
Statistics							
Customers—Year End (All Classes)	14,166	19,522	18,814	19,922	37.8	(3.6)	5.9
Average Gallons of Water Used Per Customer[1]	54,977	64,260	62,880	64,989	16.9	(2.1)	3.4
Average Annual Revenue Per Customer	$ 38.66	$ 48.68	$ 56.29	$ 52.44	26.0	15.6	(6.8)
Gross Plant Investment Per Customer	$ 337.19	$ 359.15	$ 379.95	$ 403.39	6.5	5.8	6.2

[1] Adjusted to eliminate unusually large industrial customers.

VIII. Investigations And Inspections

INVESTIGATIONS AND INSPECTIONS

G.S. 62-277 of the Public Utilities Act of 1963, which became effective January 1, 1964, vested the transportation inspectors and special investigators employed by the Commission with the same enforcement and police powers as members of the State Highway Patrol in enforcing provisions of the law applicable to motor transportation as they relate to the functions of the Utilities Commission.

During 1965, these inspectors made investigations or inspections and travelled as shown in Figure No. 49.

The inspection of buses for required safety standards has been more exacting since January 1, 1964, than previously and, when buses are inspected, the companies are required to make such repairs as are necessary for safety of operations. All infractions of safety rules on equipment discovered during the process of inspection are reported to the Commission. During the year, the Commission caused 71 buses to be grounded for safety reasons. An additional 378 corrections were ordered made on the spot. All violations of motor freight carriers detected are reported to the Commission, which in turn requires compliance with the law and the Commission's Rules and Regulations pursuant thereto. Bus stations and rail stations are inspected for sanitation and passenger comfort. Each station inspected is graded, and a report is made to the Commission. During 1965, 9 bus stations failed to obtain a passing mark of 85 per cent. No railroad stations failed to obtain a passing mark. Seven hundred forty-one (741) minor violations by motor freight carriers were detected and corrected. The inspection program has been of material effect in establishing the excellent safety record of motor carriers in North Carolina.

FIGURE NO. 49

SUMMARY OF INVESTIGATION AND INSPECTIONS FOR THE CALENDAR YEAR 1965

Item and Major Reason for Investigations and Inspections	Number of Items Investigated or Inspected	Number Passed	Number Failed	Number Grounded	Number Violations
Stations—For Adequacy & Sanitation:					
Bus	2,041	2,032	9		
Railroad	733	733	0		
Buses—Equipment and Safety Factors	9,124	8,675	449[1]	71	
Trucks—Equipment, Safety Factors & compliance with Rules	14,228	13,688	540		741
Freight Terminals—Compliance with Rules	903				

Complaints by Competitors, Consuming Public and Commission Initiated Probes:	
Bus Companies	108
Truck Companies	697
Railroads	163
Telephone Companies	2
Taxicab Companies	0
Water Companies	44
Accidents	16
Electric Companies	16
Household and Furniture Moves Accuracy and Methods of Quoting Schedules	105

Total Miles traveled by Investigators and Inspectors:	
By Bus	1,203
By Railway	0
By Car	348,354
Total	349,557

[1] Includes number of Buses Grounded.

IX. Securities Audits And Annual Reports

FIGURE NO. 50

FINANCING AND ACCOUNTING MATTERS—SECURITY ISSUES—NEW CAPITAL*

For The Calendar Year 1965

Name of Company	Docket No.	Date of Order	Total Amount Authorized	Stated Int. Rate or Offering Price	Common Stock	Preferred Stock	Bonds and Debentures	REA and Other Long Term Notes
ELECTRIC								
Virginia Electric & Power Co.	E-22, Sub 73	5-18-65	$ 60,000,000	4.50%			$ 60,000,000	
Total Electric			$ 60,000,000				$ 60,000,000	
GAS								
North Carolina Natural Gas Corp.	G-21, Sub 37	4-21-65	512,500	$ 5.125S	512,500			
Piedmont Natural Gas Co.	G-9, Sub 60	4-2-65	7,000,000	4.85%			7,000,000	
Public Service Company of N. C.	G-5, Sub 52	7-7-65	5,000,000	4.875%			5,000,000	
Total Gas			$ 12,512,500		512,500		$ 12,000,000	
TELEPHONES								
Carolina Telephone & Telegraph Co.	P-7, Sub 294	3-12-65	8,000,000	4.50%			8,000,000	
Central Telephone Company	P-10, Sub 207	5-14-65	417,000	$48.009	417,000			
Central Telephone Company	P-10, Sub 212	7-1-65	6,000,000	4.70%		6,000,000		
Central Telephone Company	**P-10, Sub 220	11-30-65	7,416,930	$48.00	7,416,930			
Concord Telephone Company	P-16, Sub 74	10-7-65	1,750,000	4.80%B 4.80%S		500,000	1,250,000	
General Telephone Company of The Southeast	P-19, Sub 79	2-11-65	13,200,000	4.65%B $25.00S	3,700,000		9,500,000	
Lilesville Telephone Company	P-33, Sub 10	5-21-65	19,950	$25.00S	19,950			
Norfolk and Carolina Telephone and Telegraph Company	P-40, Sub 82	12-21-65	300,000	$100.00S	300,000			
North Carolina Telephone Co.	P-70, Sub 65	2-24-65	700,000	5.00%		700,000		
North Carolina Telephone Co.	P-70, Sub 73	10-18-65	1,200,000	5.125%			1,200,000	
North State Telephone Co.	P-42, Sub 50	7-20-65	1,000,000	4.70%			1,000,000	
Randolph Telephone Company	P-61, Sub 34	7-13-65	245,000	2.00%				245,000
Ellerbe Telephone Company	P-21, Sub 14	8-3-65	400,000	2.00%				400,000
Denton Telephone Company	P-18, Sub 11	12-23-65	38,000	6.00%				38,000
Total Telephones			$ 40,686,880		$ 11,853,880	$ 7,200,000	$20,950,000	$683,000
TELEGRAPH								
Western Union Telegraph Co.	WU-51	8-6-65	35,000,000	5.20%		35,000,000		
Western Union Telegraph Co.	WU-51	12-30-65	35,000,000	4.60%		35,000,000C		
Total Telegraph			$ 70,000,000			$ 70,000,000		
GRAND TOTALS			$183,199,380		$ 12,366,380	$ 77,200,000	$ 92,950,000	$683,000

*Funds provided through sale of Security Issues are usable for entire company operations.

**Acquisition of an out of state telephone company (Southeastern Telephone Company)

C—Convertible B—Bonds S—Stocks

SECURITIES, AUDITS, AND ANNUAL REPORTS

Securities Issues

During the year 1965, the Commission analyzed and approved twenty (20) applications for utilities securities issues aggregating $183,199,380. This compares to 38 approved securities issues totalling $251,722,000 for the 12 months period January 1, 1964—December 31, 1964.

The Division of Accounts processes these applications and reports their findings to the full Commission. Consideration is given to the present and projected earnings position of the company, the effect of the projected issue on the company's capital structure, expenses of the issue, estimated net yield, probable market price per unit, the purposes of the issue and the use to which the proceeds are to be applied, whether the issue is within the corporate authority of the applicant, and whether the issue is compatible with the overall public interest.

The new capital raised through the sale of securities was primarily applied in utility plant expansion and modernization and improvement of existing plant to meet increased demands for additional and improved service. Figure No. 50 shows detailed data for each securities issue in 1965.

Audits

In addition to processing and advising the Commission upon applications for approval of securities issues, the Division of Accounts, at the direction of the Commission, performed extensive field audits of the operations of 19 public utilities during 1965. The results of each of these audits are typed and bound into a permanent report giving the Division of Account's findings, exhibits, and recommendations. The Commission requires a field audit of any company making application for a substantial increase in all, or a portion, of its rates. A brief summary of audits for 1965 follows:

Type of Utility	Number of Examinations
Motor Passenger Carriers	1
Electric	3
Telephone	10
Water and Sewer	5
Total	19

Annual Reports

Some 899 public utilities and 82 non-regulated municipal utility systems are required to file annual financial and operating reports with the Commission. Except for the reports of 29 railroad companies (which were processed administratively by the Division of Traffic and Rail Transportation) the Commission's Division of Accounts prepared, distributed, and processed these reports. All completed and returned annual reports were given detailed examination. Condensed data from each report was compiled in book form for use by the Commission.

The Commission has heretofore adopted uniform systems of accounts for the various classes of utilities subject to its jurisdiction.

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